THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, 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 the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

V.S. INTERNATIONAL GROUP LIMITED
威鋮國際集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock code: 1002)

CONNECTED TRANSACTION
PROPOSED AMENDMENTS TO THE TERRITORIAL AGREEMENT

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Gram Capital Limited
嘉林資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 21 of this circular. A letter from the Independent Board Committee is set out on pages 22 to 23 of this circular. A letter from Gram Capital, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 24 to 40 of this circular.

A notice convening the EGM to be held at Star City Hotel, No. 88, Jingshan Road, Jida, Zhuhai, Guangdong Province, the People's Republic of China on Friday, 3 August 2018 at 11:00 a.m. or any adjournment thereof is set out on pages 49 to 50 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to 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 holding the EGM (i.e. 11:00 a.m. on Wednesday, 1 August 2018, 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 at the EGM or any adjournment thereof if you so wish.

16 July 2018

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

"associate(s)'	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Berhad Group"	VS Berhad and its subsidiaries from time to time, excluding members of the Group; and "member(s) of the Berhad Group" shall be construed accordingly
"Berhad Territories"	Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
"Business"	the business of the production and sale of plastic moulded products and parts, assembling of electronic products and mould design and fabrication or any of them
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	V.S. International Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of approving, among others, the Supplemental Territorial Agreement and the Proposed Amendments
"Group"	the Company and its subsidiaries; "member(s) of the Group" shall be construed accordingly
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	the independent board committee of the Company comprising Ms. Fu Xiao Nan, the only independent non-executive Director who does not have a material interest in the Supplemental Territorial Agreement, and formed to advise the Independent Shareholders in respect of the Supplemental Territorial Agreement and the Proposed Amendments
"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Territorial Agreement and the Proposed Amendments
"Independent Shareholders"	the Shareholders, other than VS Berhad and its associate(s), if any
"Latest Practicable Date"	11 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Products"	all types of products produced, manufactured and/or assembled by a member of the Berhad Group or that of the Group, as the case may be, in connection with the Business from time to time
"Proposed Amendments"	the proposed amendments to the Territorial Agreement as agreed by the Company and VS Berhad in the Supplemental Territorial Agreement
"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 share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Supplemental Territorial Agreement"	the supplemental agreement to the Territorial Agreement
"Territorial Agreement"	the territorial agreement entered into between the Company and VS Berhad on 20 January 2002 in relation to the non-competition undertakings given by each of the Company and VS Berhad to avoid potential or actual competition
"VS Berhad"	V.S. Industry Berhad, a company incorporated under the laws of Malaysia whose shares are listed on the Main Market of the Bursa Malaysia Securities Berhad and a controlling shareholder of the Company
"VS Territories"	Hong Kong, Taiwan and the PRC
"$"	Hong Kong dollars
"%"	per cent.

V.S. INTERNATIONAL GROUP LIMITED
威鋮國際集團有限公司

(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

Non-executive Director:
Mr. Gan Tiong Sia

Independent non-executive Directors:
Mr. Diong Tai Pew
Mr. Tang Sim Cheow
Ms. Fu Xiao Nan

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, Central
Hong Kong

16 July 2018

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
PROPOSED AMENDMENTS TO THE TERRITORIAL AGREEMENT

INTRODUCTION

Reference is made to the announcement dated 1 June 2018 regarding the Supplemental Territorial Agreement and the Proposed Amendments. The purpose of this circular is to provide you with, amongst others, (a) further details of the Supplemental Territorial Agreement and the Proposed Amendments; (b) a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Supplemental Territorial Agreement and the Proposed Amendments; (c) a letter from Gram Capital containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Supplemental Territorial Agreement and the Proposed Amendments; and (d) notice of EGM for approving the Supplemental Territorial Agreement and the Proposed Amendments.

THE TERRITORIAL AGREEMENT

Reference is made to the Territorial Agreement entered into between the Company and VS Berhad on 20 January 2002.

Non-competition undertakings

Pursuant to the Territorial Agreement, VS Berhad has irrevocably and unconditionally undertaken (the "**Berhad Non-competition Undertakings**") to the Company (for itself and for the benefit of the Group) for a term of twenty years commencing from date of listing of the shares of the Company on the Stock Exchange (i.e. 8 February 2002) (the "**Restricted Period**"), it shall not, and shall procure that members of the Berhad Group will not whether directly or indirectly:

(i) carry on, engage or otherwise be involved in the Business or market, sell, distribute, supply or otherwise provide any Product(s) to any person(s) in the VS Territories or any of them;

(ii) market, sell, distribute, supply or otherwise provide any Products to any person(s), or conduct any business which competes or is likely to compete, whether directly or indirectly, with the Business of the Group in the VS Territories or any of them; or

(iii) market, sell, distribute, supply or otherwise provide any Product(s) to any person(s) outside the VS Territories or any of them where it knows that such Product(s) is/are destined to be sold, distributed or supplied for the purpose of commercial exploitation in the VS Territories or any of them.

Pursuant to the Territorial Agreement, the Company has provided reciprocal non-competition undertaking as mentioned above to VS Berhad (for itself and for the benefit of the Berhad Group) in respect of the Business or Products in the Berhad Territories or any of them (the "**VS Non-Competition Undertakings**").

New business opportunities

Pursuant to the Territorial Agreement, VS Berhad has further undertaken that during the Restricted Period, all enquiries and actual or potential business opportunities received by a member of the Berhad Group in relation to the production, manufacture, assembly, sale, distribution, supply and/or provision of the Products in the VS Territories or any of them shall be referred by VS Berhad to the Company on a timely basis and VS Berhad shall provide, and shall procure each member of the Berhad Group will provide, sufficient information to enable the Company or the relevant member of the Group to reach an informed view and assessment on such new business opportunities. The Company has provided reciprocal undertakings to VS Berhad in relation to the new business opportunities in respect of Products in the Berhad Territories or any of them.

AMENDMENTS TO THE TERRITORIAL AGREEMENT

On 1 June 2018, the Company and VS Berhad entered into the Supplemental Territorial Agreement to amend the Territorial Agreement to allow:

(i) the Company, its subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) for investment purpose, purchase not more than 10% equity interest in other companies whose business competes or is likely to compete with the Business of the Berhad Group in the Berhad Territories or any of them provided that the Company, its subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) is (i) not able to control the board of directors; or (ii) collectively, not the single largest shareholder, details of which are stated in the sub-paragraph "Undertakings by the Company – Non-competition undertakings";

(ii) the Company to pursue a VS New Business Opportunities (as defined below) in respect of the Products in the Berhad Territories or any of them subject to the right of first refusal as detailed in the sub-paragraph "Undertakings by the Company – New business opportunities" and an option in favour of VS Berhad over the business subsequently developed by the Company;

(iii) VS Berhad, its subsidiaries or its close associate(s) (other than the Group) (as appropriate) for investment purpose, purchase not more than 10% equity interest in other companies whose business competes or is likely to compete with the Business of the Group in the VS Territories or any of them subject to provided that the VS Berhad, its subsidiaries or its close associate(s) (other than the Group) (as appropriate) is (i) not able to control the board of directors; or (ii) collectively, not the single largest shareholder, details of which are stated in the sub-paragraph "Undertakings by VS Berhad – Non-competition undertakings"; and

(iv) VS Berhad to pursue a Berhad New Business Opportunities (as defined below) subject to the right of first refusal as detailed in the sub-paragraph "Undertakings by VS Berhad – New business opportunities" and an option in favour of the Company over the business subsequently developed by VS Berhad.

Undertakings by the Company

Non-competition undertakings

The VS Non-Competition Undertakings have been amended to provide flexibility for investment purpose. The Company, its respective subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) are allowed to purchase for investment purpose of not more than 10% equity interest collectively in other companies (the "**VS Invested Companies**") whose business competes or is likely to compete with the Business of the Berhad Group in the Berhad Territories or any of them. For the avoidance of doubt, the provision above does not apply to such VS Invested Companies which the Company, its subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) are (i) able to control their respective board of directors; or (ii) collectively, the single largest shareholder of such VS Invested Companies, notwithstanding the fact that not more than 10% of the equity interests collectively of such VS Invested Companies are held by the Company, its subsidiaries or its close associate (other than the Berhad Group) (as appropriate).

New business opportunities

Under the Supplemental Territorial Agreement, so long as VS Berhad directly or indirectly holds 30% or more of the voting power at general meetings of the Company from time to time or is otherwise regarded as a controlling shareholder of the Company, the Company has irrevocably and unconditionally undertaken to VS Berhad (for itself and for the benefit of members of the Berhad Group) that during the Restricted Period, if the Company and/or its subsidiaries and/or its close associate(s) (as appropriate) (other than the Berhad Group) (the "**VS Offeror**") is given or identified or offered any business investment or commercial opportunity (excluding the VS Invested Companies) (the "**VS New Business Opportunities**"), it will and will procure its close associate(s) to refer the VS New Business Opportunities to VS Berhad as soon as practicable. The VS Offeror is allowed to pursue the VS New Business Opportunities only if (i) the VS Offeror has received a notice from VS Berhad declining such VS New Business Opportunities or confirming such VS New Business Opportunities would not constitute competition with the Business of the the Berhad Group in the Berhad Territories or any of them; or (ii) the VS Offeror has not received such notice from VS Berhad within 10 business days from VS Berhad's receipt of the offer notice. For the avoidance of doubt, if the VS Offeror is allowed to pursue such VS New Business Opportunities, all existing or future orders from existing customers of the business invested shall be retained by the VS Offeror.

Upon receipt of the written notice of any VS New Business Opportunities, VS Berhad will seek opinions and decisions from its independent non-executive directors who do not have a material interest (the "**Independent Board**") in the manner as to whether (a) such VS New Business Opportunities would constitute competition with the Business of the Berhad Group in the Berhad Territories or any of them; or (b) it is in the interest of VS Berhad and its shareholders as a whole to pursue the VS New Business Opportunities.

Option for acquisitions

The Company has further undertaken to grant, or shall use its best efforts to procure its subsidiaries and/or its close associate(s) (as appropriate) (other than the Berhad Group) to grant VS Berhad an option to acquire the new business subsequently developed from the VS New Business Opportunities (the "**VS New Business**"), which is exercisable during the Restricted Period, subject to applicable laws and regulations and third party pre-emptive right, to purchase at one or more times any equity interest, assets or other interests which form part or all of the VS New Business, or to operate the VS New Business by way of, including but not limited to, management, outsourcing, lease or subcontracting, at a consideration to be determined following negotiation between the parties under the fair and reasonable principle based on the valuation conducted by a third party professional valuer (selected by both VS Berhad and the Company). If there is any third party pre-emptive right, the Company shall use its best efforts to procure the third party to waive its pre-emptive right.

Pre-emptive right

The Company has further undertaken that during the Restricted Period, if it intends to transfer, sell, lease, license or otherwise permit to use, to a third party the VS New Business, the Company or its subsidiaries or any of its close associate(s) (other than the Berhad Group) (as appropriate) (the "**VS Seller**") shall notify VS Berhad by written notice (the "**VS Selling Notice**") in advance. The VS Selling Notice shall attach the terms of the transfer, sale, lease or licence and any information which may be reasonably required by VS Berhad. The VS Seller has undertaken that until it receives the reply from VS Berhad, it shall not notify any third party of the intention to transfer, sell, lease or license the VS New Business. If (i) VS Berhad decides not to exercise its pre-emptive right; (ii) VS Berhad does not reply within the agreed time period; or (iii) VS Berhad does not accept the terms as set out in the VS Selling Notice and issues to the Company a written notice within the agreed time period stating acceptable conditions which, however, are not acceptable to the VS Seller following negotiation between the parties under the fair and reasonable principle, the VS Seller is entitled to transfer the business to a third party pursuant to the terms stipulated in the VS Selling Notice.

Undertakings by VS Berhad

Non-competition undertakings

The Berhad Non-Competition Undertakings have been amended to provide flexibility for investment purpose. VS Berhad, its respective subsidiaries or its close associate(s) (other than the Group) (as appropriate) are allowed to purchase for investment purpose of not more than 10% equity interest collectively in other companies (the "**Berhad Invested Companies**") whose business competes or is likely to compete with the Business of the Group in the VS Territories or any of them. For the avoidance of doubt, the provision above does not apply to such Berhad Invested Companies which VS Berhad, its subsidiaries or its close associate(s) (other than the Group) (as appropriate) are (i) able to control their respective board of directors; or (ii) collectively, the single largest shareholder of such Berhad Invested Companies, notwithstanding the fact that not more than 10% of the equity interests collectively of such Berhad Invested Companies are held by VS Berhad, its subsidiaries or its close associate (other than the Group) (as appropriate).

New business opportunities

Under the Supplemental Territorial Agreement, so long as VS Berhad directly or indirectly holds 30% or more of the voting power at general meetings of the Company from time to time or is otherwise regarded as a controlling shareholder of the Company, VS Berhad has hereby irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of members of the Group) that during the Restricted Period, if VS Berhad and/or its subsidiaries and/or its close associate(s) (as appropriate) (other than the Group) (the "**Berhad Offeror**") is given or identified or offered any business investment or commercial opportunity (excluding the Berhad Invested Companies) (the "**Berhad New Business Opportunities**"), it will and will procure its close associate(s) to refer the Berhad New Business Opportunities to the Company as soon as practicable. The Berhad Offeror is allowed to pursue the Berhad New Business Opportunities only if (i) the Berhad Offeror has received a notice from the Company declining such Berhad New Business Opportunities or confirming such Berhad New Business Opportunities would not constitute competition with the Business of the Group in the VS Territories or any of them; or (ii) the Berhad Offeror has not received such notice from the Company within 10 business days from the Company's receipt of the offer notice. For the avoidance of doubt, if the Berhad Offeror is allowed to pursue such Berhad New Business Opportunities, all existing or future orders from existing customers of the business invested shall be retained by the Berhad Offeror.

Upon receipt of the written notice of any Berhad New Business Opportunities, the Company will seek opinions and decisions from the Independent Board Committee as to whether (a) such Berhad New Business Opportunities would constitute competition with the Business of the Group in the VS Territories or any of them; or (b) it is in the interest of the Company and the Shareholders as a whole to pursue the Berhad New Business Opportunities.

Option for acquisitions

VS Berhad has further undertaken to grant, or shall use its best efforts to procure its subsidiaries and/or its close associate(s) (as appropriate) (other than the Group) to grant the Company an option to acquire the new business subsequently developed from the Berhad New Business Opportunities (the "**Berhad New Business**"), which is exercisable during the Restricted Period, subject to applicable laws and regulations and third party pre-emptive right, to purchase at one or more times any equity interest, assets or other interests which form part or all of the Berhad New Business, or to operate the Berhad New Business by way of, including but not limited to, management, outsourcing, lease or subcontracting, at a consideration to be determined following negotiation between the parties under the fair and reasonable principle based on the valuation conducted by a third party professional valuer (selected by both VS Berhad and the Company). If there is any third party pre-emptive right, VS Berhad shall use its best efforts to procure the third party to waive its pre-emptive right.

Pre-emptive right

VS Berhad has further undertaken that during the Restricted Period, if it intends to transfer, sell, lease, license or otherwise permit to use, to a third party the Berhad New Business, VS Berhad or its subsidiaries or any of its close associate(s) (other than the Group) (as appropriate) (the "**Berhad Seller**") shall notify the Company by written notice (the "**Berhad Selling Notice**") in advance. The Berhad Selling Notice shall attach the terms of the transfer, sale, lease or licence and any information which may be reasonably required by the Company. The Berhad Seller has undertaken that until it receives the reply from the Company, it shall not notify any third party of the intention to transfer, sell, lease or license the Berhad New Business. If (i) the Company decides not to exercise its pre-emptive right; (ii) the Company does not reply within the agreed time period; or (iii) the Company does not accept the terms as set out in the Berhad Selling Notice and issues to VS Berhad a written notice within the agreed time period stating acceptable conditions which, however, are not acceptable to the Berhad Seller following negotiation between the parties under the fair and reasonable principle, the Berhad Seller is entitled to transfer the business to a third party pursuant to the terms stipulated in the Berhad Selling Notice.

The Directors consider that the above pre-emptive arrangement in respect of the Berhad New Business is fair and reasonable given (i) VS Berhad is able to undertake the Berhad New Business only because the Company has not taken up the Berhad New Business Opportunities when it is first offered to the Company; (ii) the Company has not exercised the option to acquire such Berhad New Business after VS Berhad has undertaken such Berhad New Business Opportunities; (iii) if the Company is interested in acquiring the Berhad New Business when the Company first receives the Berhad Selling Notice, the Company is entitled to exercise its option to acquire such Berhad New Business at the same price; and (iv) only if the Company is not interested in such Berhad New Business will the Berhad Seller be entitled to transfer the business to third party pursuant to the terms stipulated in the Berhad Selling Notice after following negotiation between the parties under the fair and reasonable principle. Therefore, the pre emptive right together with the option of acquisition granted to the Company will provide the Company with a certain level of control over such Berhad New Business to the extent that VS Berhad has to make prior consultation with the Company, and only if the Company is not interested in pursuing such Berhad New Business will the Berhad Seller be entitled to sell such Berhad New Business to third parties.

General

Save as disclosed above, there is no other change to the remaining material terms of the Territorial Agreement. The Restricted Period remains unchanged after the Proposed Amendments.

Conditions precedent

The Proposed Amendments shall become effective upon the following conditions being fulfilled:

(a) the Independent Shareholders having approved the Supplemental Territorial Agreement in accordance with the applicable requirements under the Listing Rules; and

(b) any other consents, approvals, or authorisations (if any) as may be required under the law or applicable rules and regulations of governmental or regulatory authorities, including the Stock Exchange having been obtained or granted.

CORPORATE GOVERNANCE MEASURES

Upon receipt of the written notice of any Berhad New Business Opportunities, an Independent Board will review, consider and decide whether (i) the Berhad New Business Opportunities would constitute competition with the Business of the Group in the VS Territories or any of them; or (ii) it is in the interest of the Company and the Shareholders as a whole to pursue the Berhad New Business Opportunities. The Directors consider 10 business days reasonable and sufficient given (i) VS Berhad will provide or cooperate to provide to the Company all materials in relation to the Berhad New Business Opportunities that are reasonably available to VS Berhad so that the Company could evaluate and make an informed decision for the above determination; (ii) the Directors have compared such time period with those companies listed on the Stock Exchange which has recently amended their respective non-competition undertakings from June 2017 to June 2018, which was within the period from 10 calendar days to 20 calendar days; (iii) the Company is allowed to exercise the option to acquire the Berhad New Business after VS Berhad undertakes such Berhad New Business in the event the Company has conducted proper due diligence and analysis or finds it profitable at a later stage; and (iv) reciprocal time period will be given to VS Berhad as to the determination of VS New Business Opportunities.

Details of non-competition undertakings which the Board has made reference to are listed below:

Company name	**Circular date**	**Original non-competition undertaking**	**Proposed amendments approved at general meeting**
China Eastern Airlines Corporation Limited (stock code: 670)	18 January 2018	*Non-competition undertakings* The controlling shareholder is generally restricted from investing in any companies or enterprises that is or may be in direct or indirect competition with the principal business of the listed issuer, including any new opportunity(ies) to invest in the competing enterprise.	*New business opportunity* The controlling shareholder shall notify the listed issuer in writing as soon as practicable and use its best efforts to procure the new investment opportunity to be first referred to the listed issuer on reasonable and fair terms and conditions. If the listed issuer decides not to pursue the new investment opportunity due to any reasons, the listed issuer shall notify the controlling shareholder within **20 calendar days**, and the controlling shareholder is entitled to take up the new investment opportunity on terms not more favourable than those made available to the listed issuer. *Option for acquisitions* The controlling shareholder will grant the call option to the listed issuer so that the listed issuer is entitled to purchase the shares and equity in relation to the new business when the listed issuer considers appropriate.

Company name	Circular date	Original non-competition undertaking	Proposed amendments approved at general meeting
			Right of first refusal When the controlling shareholder disposes of the shares or equity acquired in relation to the new business, it shall first notify the listed issuer the conditions of the proposed disposal in advance and grant the right of first refusal to the listed issuer for acquiring such shares or equity. The listed issuer did not give reciprocal undertakings to its controlling shareholder.
China Agri-Industries Holdings Limited (stock code: 606)	13 November 2017	*Non-competition undertakings* The controlling shareholders would not, and would procure its subsidiaries (other than the listed group) will not, at any time, directly or indirectly, be employed or otherwise engaged or interested in any capacity in any business which competes with the restricted business or any part of it in the restricted territory, provided that this restriction shall not operate to prohibit the controlling shareholders from: (a) holding such interest, whether directly or indirectly, in retained business allowed on the listing date of the listed issuer ("**Retained Business**"); or (b) holding shares in the aggregate up to 5% of the issued share capital of any competing company the share of which are listed or dealt in or any stock exchanges.	*Option for acquisitions* Removed the option granted to the listed issuer in relation to one of the Retained Business as the listed issuer no longer involved in the business of such Retained Business. Options granted to the listed issuer in relation to other Retained Business remains effective. *Pre-emptive rights* Pre-emptive rights remain effective. The listed issuer did not give reciprocal undertakings to its controlling shareholders.

Company name	Circular date	Original non-competition undertaking	Proposed amendments approved at general meeting
		Option for acquisitions The controlling shareholders provided an option to the listed issuer to acquire certain Retained Business. *Pre-emptive rights* If the controlling shareholders intend to transfer, sell, license or dispose to any third party any direct or indirect interest in the Retained Business, the listed issuer is granted pre-emptive rights to purchase the Retained Business on terms no less favourable than those offered to such third party.	

Company name	Circular date	Original non-competition undertaking	Proposed amendments approved at general meeting
Tonly Electronics Holdings Limited (stock code: 1249)	11 August 2017	*Non-competition undertakings* The controlling shareholders will not and will procure their respective associates not to directly or indirectly, carry on or be engaged or interested in the relevant business (save as those held through the listed issuer). Notwithstanding the above, there is no restriction on the controlling shareholders either directly or indirectly holding or being interested in shares or other securities in any company which is engaged or interested in any relevant business and whose shares or securities are listed on a stock exchange provided that (1) the aggregate number of shares held by the controlling shareholders or in which they are interested does not amount to more than 10% of the issued shares of such company; (2) the revenue or assets of such company attributable to the relevant business recorded in the consolidated audited accounts of the latest full financial year immediately before the acquisition is less than 20% of its consolidated total revenue or consolidated total assets (as the case may be); or (3) neither the controlling shareholders nor any of their subsidiaries can exercise any control, directly or indirectly, over the board of directors of such company.	*New business opportunities* Request or written offers related to the relevant business shall be given by the controlling shareholders and/or their associates (other than the listed group) to the listed group and shall remain valid and open for acceptance by the listed group for a period of time for no more than **14 days**. The listed issuer did not give reciprocal undertakings to its controlling shareholders.

Company name	Circular date	Original non-competition undertaking	Proposed amendments approved at general meeting
Sundart Holdings Limited (stock code: 1568)	30 June 2017	*Non-competition undertakings* The controlling shareholders undertake they will not, and will use their best endeavours to procure, their close associates (other than any member of the listed group) not to, either on their own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of the listed group) to conduct any business which competes or may compete with the principal business of and such other business conducted or carried on by any member of the listed group in Hong Kong and Macau or such other places as the listed group may conduct or carry on such business from time to time.	Non-competition undertakings Amended to allow the controlling shareholders to undertake projects from the PRC government and projects with an average unit price of less than RMB5,000 per square metre in the overlapping district and undertaking projects from developers. *New business opportunities* If any of the controlling shareholder and its respective associates (other than the listed group) is offered and becomes aware of any business opportunity to engage in or own any of the restricted business, it shall promptly notify the listed issuer of such new business opportunity. The controlling shareholders may only engage in such new business opportunity if (i) a written notice is received from the listed issuer confirming such new business opportunity is not accepted and/or does not constitute a restricted business; or (ii) notice is not received within **10 days** after the proposal of the new business opportunity is received by the listed issuer. The listed issuer did not give reciprocal undertakings to its controlling shareholders.

The above list is a full list of comparables of listed issuers which have amended the business opportunity mechanisms in non-competition undertakings between the listed issuers and their respective controlling shareholders from June 2017 to June 2018. As shown above, other listed issuers had amended their non-competition undertakings to provide mechanism in referring new business opportunities by their respective controlling shareholders to the listed issuers. Only upon the listed issuers declining such new business opportunities or failed to notify their respective controlling shareholders within a stipulated timeframe will their controlling shareholders be allowed to pursue such new business opportunities. Although not all the amended non-competition undertakings as listed above contain options and/or pre-emptive rights granted to the listed issuer, the Directors consider that options and pre-emptive rights granted to the Company are in the interest of the Company and the Shareholders as a whole as the Company is allowed to undertake the Berhad New Business at a later stage when such business is more mature and proper due diligence is conducted. In addition, although it is noted that reciprocal undertakings were not given by the listed issuers to their respective controlling shareholders, as VS Berhad is a listed issuer in Malaysia and the VS Non-Competition Undertakings were provided in favour of VS Berhad pursuant to the Territorial Agreement to protect interest of shareholders of VS Berhad, the Board considers fair and reasonable to grant reciprocal protection to shareholders of VS Berhad after the Group has pursued the VS New Business Opportunities and benefitted from the VS New Business.

In assessing whether or not to pursue the Berhad New Business Opportunities or whether to exercise the option or pre-emptive rights, the Independent Board will review and consider all factors they consider relevant, including business strategy of the Group, possible synergy with the Group's operation, the financial resources available to the Group and the qualifications and/or eligibility the Group has at the relevant time, as well as the relevant legal, regulatory and contractual requirements, with a view to arriving at a decision which is in the best interest of the Company and the Shareholders as a whole. The Independent Board may appoint financial advisers or professional experts to provide advice, at the cost of the Company, on whether to pursue or decline any Berhad New Business Opportunities.

In addition, if VS Berhad has undertaken the Berhad New Business, the Independent Board will review whether to exercise the option or pre-emptive right on an annual basis. Option granted by VS Berhad to the Company in relation to the Berhad New Business constitutes an option under Chapter 14 of the Listing Rules, the exercise of which is at the discretion of the Company. Although no consideration is paid for the grant of such option to the Company and the grant of option is not regarded as a "notifiable transaction" under Rule 14.75(1) of the Listing Rules, the exercise of such option by the Company is subject to Rule 14.75(2) of the Listing Rules. In the event the Company exercises the option to purchase the Berhad New Business or option to operate the Berhad New Business by way of including but not limited to, management, outsourcing, lease or subcontracting, the Company will use the exercise price, the value of the underlying assets and the profits and revenue attributable to such assets for the purpose of classification of the transaction. The Company will comply with the Listing Rules and make relevant disclosures and/or obtain approvals when it is necessary.

In relation to the option granted by the Company to VS Berhad in relation to the VS New Business, such option constitutes an option under Chapter 14 and 14A of the Listing Rules, the exercise of which is not at the discretion of the Company. Pursuant to Rule 14.74(1) and Rule 14A.61, the transaction will be classified as if the option had been exercised for the purpose of the applicable percentage ratios (as defined under the Listing Rules). The Company will use the exercise price, value of the underlying assets, profit and revenue attribute to such assets in calculating the applicable percentage ratios and demonstrate to the Stock Exchange the highest possible monetary value in relation to the exercise price of such option pursuant to Rule 14.76(1) of the Listing Rules for the purpose of classification of the transaction. In the event no actual monetary value of each of the exercise price, the value of the underlying assets and the profits and revenue attributable to such assets is able to be determined and no highest possible monetary value is able to be demonstrated, such option will be classified as at least a major transaction for the Company pursuant to Rule 14.76(1) of the Listing Rules. Accordingly, the Company will comply with the Listing Rules, including making relevant announcement and obtaining shareholder's approval.

In the event VS Berhad does not exercise the option or pre-emptive right, the Company retains the discretion as to whether to dispose of the VS New Business, and such option will expire upon the disposal of such VS New Business by the Company. In accordance with Rules 14.74(2), 14.77 and 14A.61 of the Listing Rules, the Company will publish an announcement as soon as possible if (i) there is any exercise of the option by VS Berhad; or (ii) VS Berhad notifying the Company that it will not exercise the option, or the expiry of the option, whichever is earlier.

In addition, the Company and VS Berhad (as the case may be) shall adopt the following measures for the good corporate governance practice:

(i) make an annual confirmation to each other regarding their respective compliance with the Territorial Agreement (as supplemented);

(ii) the independent non-executive Directors shall review the information provided by VS Berhad in respect of the compliance and enforcement of the Territorial Agreement (as supplemented) as specified in the paragraph (i) above;

(iii) VS Berhad shall provide all information necessary for the review by the independent non-executive Directors as specified in the paragraph (ii) above and the enforcement of the Territorial Agreement (as supplemented); and

(iv) the Company shall disclose decisions on matters reviewed by its independent non-executive Directors in relation to the compliance and enforcement of the Territorial Agreement (as supplemented) through annual report of the Company (including but not limited to, whether any business opportunities offered and the Company and its independent non-executive Directors' view on whether to pursue these opportunities with basis).

REASONS FOR ENTERING INTO THE SUPPLEMENTAL TERRITORIAL AGREEMENT

The Territorial Agreement was entered into more than 15 years ago, and the practice in Hong Kong in connection with managing competition between a Hong Kong listed issuer and its controlling shareholder(s) has been evolving ever since. The Company and VS Berhad are always looking for opportunities to expand their respective business in either the VS Territories or the Berhad Territories (as the case may be). There were occasions that the Group was unable to accept orders from its customers in the VS Territories due to not meeting certain International Organisation for Standardisation (ISO) requirements to produce the Products, such as not having a high level clean room class 10,000 or below, or meeting certain requirements as stipulated by the United States of Food and Drug Administration; or VS Berhad was unable to accept orders from its customers in the Berhad Territories due to not having sufficient production capacity to produce the Products. Given the increasing competition from its competitors in the plastic and electronics industry, the Company and VS Berhad would like to grasp as many opportunities as possible to cater for the above situations and to further promote synergy between the Group and the Berhad Group. At present, it is not uncommon that a controlling shareholder of a company listed on the Stock Exchange be permitted, under the non-competition arrangement between itself and the listed issuer, to pursue new business opportunity provided that interests of the Company and the Shareholders are protected. This can be observed from the prospectuses of companies listed on the Stock Exchange recently. A majority of the non-competition undertakings given by controlling shareholders of the listed issuers contain mechanisms which allow controlling shareholders to pursue business opportunities upon the listed issuers declining such business opportunities. The detailed mechanisms vary from case to case and may or may not contain an option granted to listed company to purchase such business opportunities or a pre-emptive right in favour of the listed companies. For example, new business opportunities may be attractive and beneficial to an issuer in a long term. However, the issuer may be exposed to higher risks if it pursues such new business opportunity at an early stage, or the issuer may not have the necessary resources to pursue it at the time when such new business opportunity arises. In such cases, the controlling shareholder of the issuer may be permitted under the non-competition agreement to pursue such new business opportunity after the issuer has declined such opportunity. The controlling shareholder may grant a pre-emptive right or call option to the issuer so that the issuer may determine whether to request its controlling shareholder to transfer such new business opportunity to the issuer at an appropriate time in the future. Such arrangement is designed to strike a balance between restricting undue competition between the listed issuer and its controlling shareholder on the one hand, and providing flexibility in pursuing new business opportunity by the controlling shareholder and, ultimately, by the listed issuer on the other hand by exercising the option and pre-emptive right granted by VS Berhad in favour of the Company. This arrangement would allow VS Berhad to pursue and incubate Berhad New Business first while reserving flexibility for the Company to acquire and/or participate in the Berhad New Business at a later but more appropriate time after the Company has conducted proper due diligence and analysis. To align with market practice and to seize the ever-changing opportunities, the Company considers desirable to amend the existing non-competition undertakings under the Territorial Agreement to establish mechanisms for parties to deal with different business opportunities in a systematic way, with an aim to further promote the synergy between the Group and the Berhad Group.

Under the Supplemental Territorial Agreement, the Group is also allowed to purchase for investment purpose of not more than 10% equity interests in VS Invested Companies; and also to pursue new business opportunities in the Berhad Territories, subject to similar conditions as with VS Berhad, which will give the Group flexibility in its business development and also to seize business opportunities when it arises.

Based on the above, the Directors believe that under the Supplemental Territorial Agreement, the Group is given the flexibility to invest in and to seize business opportunities in the Berhad Territories and there are sufficient measures in place to protect the Company's interest from the potential competition from the Berhad New Business. The Proposed Amendments could also enhance the procedures of referring new business opportunities relating between the Group and Berhad Group and are in the interest of the Group and the Shareholders as a whole.

INFORMATION RELATING TO THE PARTIES

Information relating to the Group

The Group is principally engaged in the production and sales of plastic moulded components and parts, assembly of electronic products and mould design and fabrication.

Information relating to VS Berhad

VS Berhad is a company incorporated under the laws of Malaysia whose shares are listed on the Main Market of the Bursa Malaysia Securities Berhad. The Berhad Group is principally involved in the manufacturing, assembling and sale of electronic and plastic moulded products, components and parts.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, VS Berhad holds more than 30% of the issued share capital of the Company and thus is a connected person of the Company as defined under the Listing Rules. The entering into of the Supplemental Territorial Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee has been formed to advise the Independent Shareholders on the Supplemental Territorial Agreement and the Proposed Amendments contemplated thereunder. Gram Capital has also been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Territorial Agreement and the Proposed Amendments contemplated thereunder.

As Mr. Beh Kim Ling (the controlling shareholder and a director of VS Berhad), Mr. Gan Sem Yam (a brother-in-law of Mr. Beh Kim Ling and a director of VS Berhad), Madam Gan Chu Cheng (the spouse of Mr. Beh Kim Ling and a director of VS Berhad), Mr. Beh Chern Wei (the son of Mr. Beh Kim Ling and an alternate director to Mr. Gan Tiong Sia in VS Berhad), Mr. Gan Tiong Sia (a brother-in-law of Mr. Beh Kim Ling and a director of VS Berhad), Mr. Diong Tai Pew (an independent non-executive director of VS Berhad) and Mr. Tang Sim Cheow (an independent non-executive director of VS Berhad) may be regarded as having a material interest in the Supplemental Territorial Agreement, each of them has abstained from voting on the relevant resolution(s) at the meeting of the Board convened for the purpose of approving the Supplemental Territorial Agreement and the Proposed Amendments contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Supplemental Territorial Agreement and the Proposed Amendments contemplated thereunder.

EGM

A notice of the EGM is enclosed with this circular. At the EGM, ordinary resolution will be proposed to approve the Supplemental Territorial Agreement and the Proposed Amendments contemplated thereunder.

Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the EGM will be on Monday, 30 July 2018. In order to be eligible to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificate(s), must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 30 July 2018.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the resolution put to vote at the EGM will be taken by way of poll. After the conclusion of the EGM, the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

As at the Latest Practicable Date, (i) VS Berhad, which holds approximately 43.34% of the issued share capital of the Company; (ii) Mr. Beh Kim Ling (the controlling shareholder and a director of VS Berhad), who holds approximately 7.11% of the issued share capital of the Company; (iii) Mr. Gan Sem Yam (a brother-in-law of Mr. Beh Kim Ling and a director of VS Berhad), who holds approximately 2.61% of the issued share capital of the Company; (iv) Madam Gan Chu Cheng (the spouse of Mr. Beh Kim Ling and a director of VS Berhad), who holds approximately 1.99% of the issued share capital of the Company; (v) Mr. Beh Chern Wei (the son of Mr. Beh Kim Ling and an alternate director to Mr. Gan Tiong Sia in VS Berhad), who holds approximately 1.84% of the issued share capital of the Company; (vi) Mr. Gan Tiong Sia (a brother-in-law of Mr. Beh Kim Ling and a director of VS Berhad), who holds approximately 1.08% of the issued share capital of the Company; (vii) Mr. Diong Tai Pew (an independent non-executive director of VS Berhad), who holds approximately 0.14% of the issued share capital of the Company; and (viii) Mr. Tang Sim Cheow (an independent non-executive director of VS Berhad), who holds approximately 0.10% of the issued share capital of the Company, being connected persons of the Company and considered having material interests in the Supplemental Territorial Agreement and the Proposed Amendments, and each of their respective associates, will abstain from voting at the EGM for the resolutions in respect of the same.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolutions to approve the Supplemental Territorial Agreement and the Proposed Amendments; and (ii) the letter from Gram Capital which contains its advice to the Independent Board Committee and the Independent Shareholders regarding the Supplemental Territorial Agreement and the Proposed Amendments.

Having taken into account the factors as disclosed in the section headed "Reasons for entering into the Supplemental Territorial Agreement" above, the Directors (excluding the member of the Independent Board Committee whose views are set out in the section headed "Letter from Gram Capital" of this circular) consider that the transactions under the Supplemental Territorial Agreement are not in the ordinary and usual course of business of the Company; and the terms of the Supplemental Territorial Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Supplemental Territorial Agreement and the Proposed Amendments.

ADDITIONAL INFORMATION

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

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

V.S. INTERNATIONAL GROUP LIMITED
威鋮國際集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock code: 1002)

16 July 2018

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION
PROPOSED AMENDMENTS TO THE TERRITORIAL AGREEMENT

I refer to the circular of the Company dated 16 July 2018 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

I have been appointed as the member of the Independent Board Committee to advise the Independent Shareholders on the Supplemental Agreement and the Proposed Amendments and whether the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Gram Capital has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard.

Details of the advice and the principal factors and reasons from Gram Capital has taken into consideration in giving such advice, are set out in the "Letter from Gram Capital" in the Circular. Your attention is also drawn to the "Letter from the Board" in the Circular and the additional information as set out in the appendix thereto.

Having considered the principal factors and reasons and the advice of the Gram Capital as set out in the "Letter from Gram Capital", I consider that the transactions under the Supplemental Territorial Agreement are not in the ordinary and usual course of business of the Company; and the terms of the Supplemental Territorial Agreement and the Proposed Amendments are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, I recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Supplemental Territorial Agreement and the Proposed Amendments.

Yours faithfully,
For and on behalf of the
Independent Board Committee
Fu Xiao Nan
Independent non-executive Director

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Amendments for the purpose of inclusion in this circular.

Gram Capital Limited
嘉林資本有限公司

Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

16 July 2018

To: The independent board committee and the independent shareholders of V.S. International Group Limited

Dear Sirs,

CONNECTED TRANSACTION
PROPOSED AMENDMENTS TO THE TERRITORIAL AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Amendments, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 16 July 2018 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the Territorial Agreement entered into between the Company and VS Berhad on 20 January 2002. Pursuant to the Territorial Agreement, (i) VS Berhad provided certain Berhad Non-competition Undertakings to the Company (for itself and for the benefit of the Group) for the Restricted Period; and (ii) the Company provided certain reciprocal VS Non-Competition Undertakings to VS Berhad (for itself and for the benefit of the Berhad Group).

Pursuant to the Territorial Agreement, VS Berhad has further undertaken that during the Restricted Period, all enquiries and actual or potential business opportunities received by a member of the Berhad Group in relation to the production, manufacture, assembly, sale, distribution, supply and/or provision of the Products in the VS Territories or any of them shall be referred by VS Berhad to the Company on a timely basis and VS Berhad shall provide, and shall procure each member of the Berhad Group will provide, sufficient information to enable the Company or the relevant member of the Group to reach an informed view and assessment on such new business opportunities. The Company has provided reciprocal undertakings to VS Berhad in relation to the new business opportunities in respect of Products in the Berhad Territories or any of them.

On 1 June 2018, the Company and VS Berhad entered into the Supplemental Territorial Agreement to amend the Territorial Agreement.

With reference to the Board Letter, as at the Latest Practicable Date, VS Berhad holds more than 30% of the issued share capital of the Company and thus is a connected person of the Company as defined under the Listing Rules. The entering into of the Supplemental Territorial Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising Ms. Fu Xiao Nan, the only independent non-executive Director who does not have a material interest in the Supplemental Territorial Agreement, has been established to advise the Independent Shareholders on (i) whether the terms of the Supplemental Territorial Agreement are fair and reasonable; (ii) whether the Supplemental Territorial Agreement is on normal commercial terms; (iii) whether the Proposed Amendments are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iv) how the Independent Shareholders should vote in respect of the resolutions to approve the Supplemental Territorial Agreement and the Proposed Amendments at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Proposed Amendments. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the 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 therein or the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group, VS Berhad or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Amendments. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Proposed Amendments, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Proposed Amendments

Information on the Group

The Group is principally engaged in the production and sales of plastic moulded components and parts, assembly of electronic products and mould design and fabrication.

Set out below is the consolidated financial information of the Group for the six months ended 31 January 2018 (with comparative figures) and the two years ended 31 July 2017 as extracted from the interim report of the Company for the six months ended 31 January 2018 (the "**2017/18 Interim Report**") and the annual report of the Company for the year ended 31 July 2017 (the "**2016/17 Annual Report**"):

	For the six months ended 31 January 2018	**For the six months ended 31 January 2017**	**For the year ended 31 July 2017**	**For the year ended 31 July 2016**
	(unaudited)	*(unaudited)*	*(audited)*	*(audited)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Revenue	659,701	667,012	1,270,725	884,227
Gross profit	87,380	115,666	213,379	149,072
Operating profit/ (loss)	17,776	31,356	45,819	(11,872)
Profit/(Loss) for the year/period	5,116	15,518	13,484	(32,503)

As illustrated in the above table, the Group recorded revenue and gross profit of approximately RMB1,271 million and RMB213 million respectively for the year ended 31 July 2017 ("**FY2017**"), representing increase of approximately 43.71% and 43.14% respectively as compared to those for the year ended 31 July 2016 ("**FY2016**"). As a result, the Group made a turnaround in its loss position during FY2016 and recorded operating profit of approximately RMB46 million and profit of approximately RMB13 million for FY2017.

For the six months ended 31 January 2018 ("**HY2018**"), although the Group's revenue decreased only slightly as compared to that of the six months ended 31 January 2017 ("**HY2017**"), the Group's gross profit decreased by approximately 24.45% in HY2018 as compared to HY2017. As a result, the Group's operating profit and profit also decreased significantly in HY2018 as compared to HY2017.

Information on the VS Berhad

With reference to the Board Letter, VS Berhad is a company incorporated under the laws of Malaysia whose shares are listed on the Main Market of the Bursa Malaysia Securities Berhad. The Berhad Group is principally involved in the manufacturing, assembling and sale of electronic and plastic moulded products, components and parts.

Reasons for and benefits of the Proposed Amendments

With reference to the Board Letter, the Board considers that the Territorial Agreement was entered into more than 15 years ago, and the practice in Hong Kong in connection with managing competition between a Hong Kong listed issuer and its controlling shareholder(s) has been evolving ever since. At present, it is not uncommon that a controlling shareholder of a company listed on the Stock Exchange be permitted, under the non-competition arrangement between itself and the listed issuer, to pursue new business opportunity provided that interests of the Company and the Shareholders are protected.

For example, new business opportunities may be attractive and beneficial to an issuer in a long term. However, the issuer may be exposed to higher risks if it pursues such new business opportunity at an early stage, or the issuer may not have the necessary resources to pursue it at the time when such new business opportunity arises. In such cases, the controlling shareholder of the issuer may be permitted under the non-competition agreement to pursue such new business opportunity after the issuer has declined such opportunity.

The controlling shareholder may grant a pre-emptive right or call option to the issuer so that the issuer may determine whether to request its controlling shareholder to transfer such new business opportunity to the issuer at an appropriate time in the future. Such arrangement is designed to strike a balance between restricting undue competition between the listed issuer and its controlling shareholder on the one hand, and providing flexibility in pursuing new business opportunity by the controlling shareholder and, ultimately, by the listed issuer on the other hand.

To align with market practice and to seize the ever-changing opportunities, the Company considers desirable to amend the existing non-competition undertakings under the Territorial Agreement to establish mechanisms for parties to deal with different business opportunities in a systematic way, with an aim to further promote the synergy between the Group and the Berhad Group.

Under the Supplemental Territorial Agreement, the Group is also allowed to purchase for investment purpose of not more than 10% equity interests in VS Invested Companies; and also to pursue new business opportunities in Berhad Territories, subject to similar conditions as with VS Berhad, which will give the Group flexibility in its business development and also to seize business opportunities when it arises.

Based on the above, the Directors believe that under the Supplemental Territorial Agreement, the Group is given the flexibility to invest in and to seize business opportunities in the Berhad Territories and there are sufficient measures in place to protect the Company's interest from the potential competition from the Berhad New Business. The Proposed Amendments could also enhance the procedures of referring new business opportunities relating between the Group and Berhad Group and are in the interest of the Group and the Shareholders as a whole.

Taking into account of the above, we concur with the Directors that the Proposed Amendments are in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Supplemental Territorial Agreement (the Proposed Amendments)

The Territorial Agreement

With reference to the Board Letter, the Company and VS Berhad entered into the Territorial Agreement on 20 January 2002. Pursuant to the Territorial Agreement, VS Berhad has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of the Group) for a term of twenty years commencing from date of listing of the shares of the Company on the Stock Exchange (i.e. 8 February 2002), it shall not, and shall procure that members of the Berhad Group will not whether directly or indirectly:

(i) carry on, engage or otherwise be involved in the Business or market, sell, distribute, supply or otherwise provide any Product(s) to any person(s) in the VS Territories or any of them;

(ii) market, sell, distribute, supply or otherwise provide any Products to any person(s), or conduct any business which competes or is likely to compete, whether directly or indirectly, with the Business of the Group in the VS Territories or any of them; or

(iii) market, sell, distribute, supply or otherwise provide any Product(s) to any person(s) outside the VS Territories or any of them where it knows that such Product(s) is/are destined to be sold, distributed or supplied for the purpose of commercial exploitation in the VS Territories or any of them.

Pursuant to the Territorial Agreement, the Company has provided reciprocal non-competition undertaking as mentioned above to VS Berhad (for itself and for the benefit of the Berhad Group) in respect of the Business or Products in the Berhad Territories or any of them.

Pursuant to the Territorial Agreement, VS Berhad has further undertaken that during the Restricted Period, all enquiries and actual or potential business opportunities received by a member of the Berhad Group in relation to the production, manufacture, assembly, sale, distribution, supply and/or provision of the Products in the VS Territories or any of them shall be referred by VS Berhad to the Company on a timely basis and VS Berhad shall provide, and shall procure each member of the Berhad Group will provide, sufficient information to enable the Company or the relevant member of the Group to reach an informed view and assessment on such new business opportunities. The Company has provided reciprocal undertakings to VS Berhad in relation to the new business opportunities in respect of Products in the Berhad Territories or any of them.

The Supplemental Territorial Agreement

On 1 June 2018, the Company and VS Berhad entered into the Supplemental Territorial Agreement to amend the Territorial Agreement to allow:

(i) the Company, its subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) for investment purpose, purchase not more than 10% equity interest in other companies whose business competes or is likely to compete with the Business of the Berhad Group in the Berhad Territories or any of them provided that the Company, its subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) is (i) not able to control the board of directors; or (ii) collectively, not the single largest shareholder, details of which are stated in the sub-paragraph "Undertakings by the Company – Non-competition undertakings" of the Board Letter;

(ii) the Company to pursue a VS New Business Opportunities (as defined below) in respect of the Products in the Berhad Territories or any of them subject to the right of first refusal as detailed in the sub-paragraph "Undertakings by the Company – New business opportunities" of the Board Letter and an option in favour of VS Berhad over the business subsequently developed by the Company;

(iii) VS Berhad, its subsidiaries or its close associate(s) (other than the Group) (as appropriate) for investment purpose, purchase not more than 10% equity interest in other companies whose business competes or is likely to compete with the Business of the Group in the VS Territories or any of them provided that the VS Berhad, its subsidiaries or its close associate(s) (other than the Group) (as appropriate) is (i) not able to control the board of directors; or (ii) collectively, not the single largest shareholder, details of which are stated in the sub-paragraph "Undertakings by VS Berhad – Non-competition undertakings" of the Board Letter; and

(iv) VS Berhad to pursue a Berhad New Business Opportunities (as defined below) subject to the right of first refusal as detailed in the sub-paragraph "Undertakings by VS Berhad – New business opportunities" of the Board Letter and an option in favour of the Company over the business subsequently developed by VS Berhad.

Non-competition undertakings

The VS Non-Competition Undertakings has been amended to provide flexibility for investment purpose.

The Company, its respective subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) are allowed to purchase for investment purpose of not more than 10% equity interest collectively in other companies whose business competes or is likely to compete with the Business of the VS Berhad Group in the Berhad Territories or any of them. For the avoidance of doubt, the provision above does not apply to such VS Investment Companies which the Company, its subsidiaries or its close associate(s) (other than the Berhad Group) (as appropriate) are (i) able to control their respective board of directors; or (ii) collectively, the single largest shareholder of such VS Investment Companies, notwithstanding the fact that not more than 10% of the equity interests collectively of such VS Investment Companies are held by the Company, its subsidiaries or its close associate (other than the Berhad Group) (as appropriate) (the "**Restricted Scenarios**").

The Berhad Non-Competition Undertakings has also been amended to allow purchase for investment purpose of not more than 10% equity interest collectively in other companies whose business competes or is likely to compete with the Business of the Company in the VS Territories or any of them, subject to similar Restricted Scenarios above.

New business opportunities

Under the Supplemental Territorial Agreement, so long as VS Berhad directly or indirectly holds 30% or more of the voting power at general meetings of the Company from time to time or is otherwise regarded as a controlling shareholder of the Company, VS Berhad has irrevocably and unconditionally undertaken to the Company (for itself and for the benefit of members of the Group) that during the Restricted Period, if VS Berhad and/or its subsidiaries and/or its close associate(s) (as appropriate) (other than the Group) is given or identified or offered any business investment or commercial opportunity (excluding the Berhad Invested Companies), it will and will procure its close associate(s) to refer the Berhad New Business Opportunities to the Company as soon as practicable.

The Berhad Offeror is allowed to pursue the Berhad New Business Opportunities only if (i) the Berhad Offeror has received a notice from the Company declining such Berhad New Business Opportunities or confirming such Berhad New Business Opportunities would not constitute competition with the Business of the Group in the VS Territories or any of them; or (ii) the Berhad Offeror has not received such notice from the Company within 10 business days from the Company's receipt of the offer notice (the "**Consideration Period**"). For the avoidance of doubt, if the Berhad Offeror is allowed to pursue such Berhad New Business Opportunities, all existing or future orders from existing customers of the business invested shall be retained by the Berhad Offeror.

Upon receipt of the written notice of any Berhad New Business Opportunities, the Company will seek opinions and decisions from independent non-executive Directors who do not have a material interest in the manner as to whether (a) such Berhad New Business Opportunities would constitute competition with the Business of the Group in the VS Territories or any of them; or (b) it is in the interest of the Company and the Shareholders as a whole to pursue the Berhad New Business Opportunities.

Option for acquisitions

VS Berhad has further undertaken to grant, or shall use its best efforts to procure its subsidiaries and/or its close associate(s) (as appropriate) (other than the Group) to grant the Company an option (the "**Acquisition Option**"), which is exercisable during the Restricted Period, subject to applicable laws and regulations and third party pre-emptive right, to purchase at one or more times any equity interest, assets or other interests which form part or all of the new business subsequently developed from the Berhad New Business Opportunities, or to operate the Berhad New Business by way of, including but not limited to, management, outsourcing, lease or subcontracting, at a consideration to be determined following negotiation between the parties under the fair and reasonable principle based on the valuation conducted by a third party professional valuer (selected by both VS Berhad and the Company). If there is any third party pre-emptive right, VS Berhad shall use its best efforts to procure the third party to waive its pre-emptive right.

Pre-emptive right

VS Berhad has further undertaken to undertake that during the Restricted Period, if it intends to transfer, sell, lease, license or otherwise permit to use, to a third party the Berhad New Business, VS Berhad or its subsidiaries or any of its close associate(s) (other than the Group) (as appropriate) shall notify the Company by written notice in advance. The Selling Notice shall attach the terms of the transfer, sale, lease or licence and any information which may be reasonably required by the Company. The Seller has undertaken that until it receives the reply from the Company, it shall not notify any third party of the intention to transfer, sell, lease or license the Berhad New Business. If (i) the Company decides not to exercise its pre-emptive right (the "**Pre-emptive Right**"); (ii) the Company not reply within the agreed time period; or (iii) if the Company does not accept the terms as set out in the Selling Notice and issues to VS Berhad a written notice within the agreed time period stating acceptable conditions which, however, are not acceptable to the Seller following negotiation between the parties under the fair and reasonable principle, the Seller is entitled to transfer the business to a third party pursuant to the terms stipulated in the Selling Notice.

Reciprocal undertakings

Under the Supplemental Territorial Agreement, the Company has provided reciprocal undertakings to VS Berhad in relation to any business investment or commercial opportunity (excluding the VS Invested Companies) and granted the options and pre-emptive rights to VS Berhad in relation to new business developed from VS New Business Opportunities.

Further details of the Supplemental Territorial Agreement are set out under the section headed "AMENDMENTS TO THE TERRITORIAL AGREEMENT" of the Board Letter.

Our analysis

We consider that the above mechanism under the Supplemental Territorial Agreement will offer flexibility to the Company to consider whether to pursue any Berhad New Business Opportunities at the first instance. If the Group, after considering certain factors such as (i) the expected return of the Berhad New Business is not attractive; (ii) pursuing such Berhad New Business Opportunities does not align with the then business strategy of the Group; (iii) the investment cost exceeding the budget or resources available to the Group; and/or (iv) the risk of the Berhad New Business at its infant stage is not acceptable in accordance to the Group's intended risk tolerance profile, decided not to pursue the Berhad New Business Opportunities, such Berhad New Business Opportunities could be captured by VS Berhad.

The Company could acquire the Berhad New Business at a later stage by exercising the option to acquire the business after proper due diligence and assessment of the Berhad New Business. In addition, if VS Berhad is allowed to pursue the Berhad New Business Opportunities after the Company decides to decline it, the Group's interest could be protected since the Group's competitors would not be able to pursue such Berhad New Business Opportunities, as any Berhad New Business Opportunities rejected or not pursued by the Company would be captured by VS Berhad under the terms of the Proposed Amendments.

Moreover, as set out in the Board Letter, upon receipt of the written notice of any Berhad New Business Opportunities, the Company will seek opinions and decisions from independent non-executive Directors who do not have a material interest (the "**Disinterested INED(s)**") in the manner as to whether (a) such Berhad New Business Opportunities would constitute competition with the Business of the Group in the VS Territories or any of them; or (b) it is in the interest of the Company and the Shareholders as a whole to pursue the Berhad New Business Opportunities.

Upon our enquiry, the Company advised us that the Disinterested INEDs should consider all factors they consider relevant in the aforesaid assessment, including feasibility studies, estimated profitability, market, commercial and counterparty risks, compliance with the business strategy of the Group, possible synergy with the Group's operation, the financial resources available to the Group and the qualifications and/or eligibility the Group has at material time, as well as the relevant legal, regulatory and contractual requirements, in order to reach a decision which is in the best interest of the Group and the Shareholders as a whole. With the cooperation of VS Berhad, the group financial controller of the Company will prepare the aforesaid information for the Disinterested INEDs' assessment in around three business days. The Disinterested INEDs is expected to take around three business days to consider. Subsequently, the Disinterested INEDs may make enquiry to/discuss with the group financial controller of the Company and conclude their opinions.

As three out of seven Reference Cases (as defined and set out below) did not have specified response time for considering the new business opportunities, we cannot make appropriate comparison with them. Nevertheless, having considered the above and that (i) VS Berhad will provide or cooperate to provide to the Company all materials in relation to the Berhad New Business Opportunities that are reasonably available to VS Berhad so that the Company could evaluate and make an informed decision for the above determination; (ii) the Company is allowed to exercise the option to acquire the Berhad New Business after VS Berhad undertakes such Berhad New Business in the event the Company has conducted proper due diligence and analysis or finds it profitable at a later stage; and (iii) reciprocal time period will be given to VS Berhad as to the determination of VS New Business Opportunities, we concur with the Directors' view that the Consideration Period of 10 business days is reasonable and sufficient.

We consider that the above measures can assist the Group to make decision (which is in the interests of the Company and the Shareholders as a whole) regarding the Berhad New Business Opportunities.

We also consider that the Acquisition Option will allow the Company with sufficient time to decide whether to acquire the Berhad New Business through exercising the Acquisition Option to acquire the Berhad New Business, as long as the Berhad New Business is being held by VS Berhad. Given that there will be full access of relevant material including the financial and operational information of the Berhad New Business, the Company can carry out more detailed due diligence study and research in evaluating the financial and business aspects of the Berhad New Business and perform a detailed analysis to assess the potential synergy effects with the Group's existing business.

In respect of the Pre-emptive Right, we are of the view that such Pre-emptive Right provides option for the Group to acquire the Berhad New Business before it is sold to other parties which may compete with the Group. We also consider the Pre-emptive Right can sufficiently safeguard the Company's interest given that (i) VS Berhad is able to undertake the Berhad New Business only because the Company has not taken up the Berhad New Business Opportunities when it is first offered to the Company; (ii) the Company has not exercised the option to acquire such Berhad New Business after VS Berhad has undertaken such Berhad New Business Opportunities; (iii) if the Company is interested in acquiring the Berhad New Business when the Company first receives the Berhad Selling Notice, the Company is entitled to exercise its option to acquire such Berhad New Business at the same price; and (iv) only if the Company is not interested in such Berhad New Business will the Berhad Seller be entitled to transfer the business to third party pursuant to the terms stipulated in the Berhad Selling Notice after following negotiation between the parties under the fair and reasonable principle.

Therefore, the Pre-emptive Right together with the Acquisition Option granted to the Company will provide the Company with a certain level of control over such Berhad New Business to the extent that VS Berhad has to make prior consultation with the Company, and only if the Company is not interested in pursuing such Berhad New Business will the Berhad Seller be entitled to sell such Berhad New Business to third parties.

As set out in the Board Letter, the Territorial Agreement was entered into more than 15 years ago, and the practice in Hong Kong in connection with managing competition between a Hong Kong listed issuer and its controlling shareholder(s) has been evolving ever since. At present, it is not uncommon that a controlling shareholder of a company listed on the Stock Exchange be permitted, under the non-competition arrangement between itself and the listed issuer, to pursue new business opportunity provided that interests of the Company and the Shareholders are protected.

Accordingly, we reviewed the terms of deed of non-competition as disclosed in the prospectuses of newly listed companies on the main board of the Stock Exchange for the last month prior to and including the date of the Supplemental Territorial Agreement and noted that it is not uncommon to have similar mechanism for the relevant controlling shareholders to (i) invest restricted percentage interest in competing business; and (ii) present or offer any relevant new business opportunities to the listed companies as well as providing the controlling shareholders' right to pursue the new business opportunities while the issuers decided to decline such new business opportunities. References can be made to the prospectuses of REM Group (Holdings) Limited (stock code: 1750), HPC Holdings Limited (stock code: 1742), Top Education Group Ltd. (stock code: 1752), Tsit Wing International Holdings Limited (stock code: 2119), LH Group Limited (stock code: 1978), MS Group Holdings Limited (stock code: 1451) and Tian Yuan Group Holdings Limited (stock code: 6119) (the "**Reference Cases**") with details set out below:

Company name	**Listing date**	**Exemption for shareholding of less than certain % in the company concerned**	**Undertaking in respect of new business opportunity**
REM Group (Holdings) Limited (stock code: 1750)	11 May 2018	5%	If the controlling shareholder or his/its close associates (which for the purpose of the deed of non-competition, shall not include any member of the listed issuer group) is offered or becomes aware of any project or new business opportunity that relates to the restricted business in Hong Kong, whether directly or indirectly, he/it shall give the listed issuer a first right of refusal to participate or engage in such new business opportunity by: (i) promptly within seven business days notify the listed issuer in writing of such opportunity and provide such information as is reasonably required by the listed issuer in order to enable the listed issuer to come to an informed assessment of such new business opportunity; and (ii) use his/its best endeavours to procure that such new business opportunity is offered to the listed issuer on terms no less favourable than the terms on which such new business opportunity is offered to him/it and/or his/its close associates. Response time allowed for the listed issuer: Not specified

Company name	Listing date	Exemption for shareholding of less than certain % in the company concerned	Undertaking in respect of new business opportunity
HPC Holdings Limited (stock code: 1742)	11 May 2018	5%	The controlling shareholders have also covenanted to notify the listed issuer if they or their respective close associates are offered or become aware of any new business opportunity which is, or is likely to be, directly or indirectly competing with the restricted business, they shall provide the listed issuer with all necessary information via written notice. The listed issuer shall have a right to take up the business opportunity within one month after the notice is received from the controlling shareholders, in such case, the controlling shareholders shall use their reasonable endeavours to assist the listed issuer to invest in such business opportunity on the terms being offered to the controlling shareholders. The controlling shareholders or their respective close associates may only take up such new business opportunity after receiving notice from the listed issuer declining such new business opportunity. Response time allowed for the listed issuer: One month
Top Education Group Ltd. (stock code: 1752)	11 May 2018	10%	In the event that any of the controlling shareholders group and/or any of their associates (except for the listed issuer) is offered or becomes aware of any future business opportunity that may, directly or indirectly, compete with the restricted business, he: (i) shall promptly notify the listed issuer in writing and refer such competing business opportunity to the listed issuer for consideration and provide such information as reasonably required by the listed issuer in order to enable it to come to an informed assessment of such competing business opportunity; and (ii) shall not, and shall procure his associates (other than the listed issuer) not to, invest or participate in any project or the competing business opportunity unless such project or the competing business opportunity has been rejected by the listed issuer and in respect of such projects and competing business opportunity, the principal terms on which the relevant member of the controlling shareholders group or his respective associates shall invest or participate are no more favourable than those made available to the listed issuer. Response time allowed for the listed issuer: Not specified

Company name	Listing date	Exemption for shareholding of less than certain % in the company concerned	Undertaking in respect of new business opportunity
Tsit Wing International Holdings Limited (stock code: 2119)	11 May 2018	10%	If any new business opportunity relating to the restricted business is made available to any of the covenantors or any company controlled by him or it, directly or indirectly, whether individually or together (other than members of the listed issuer group), he or it will direct or procure the relevant controlled company to direct the new business opportunity to the listed issuer group with such required information to enable the listed issuer group to evaluate the merits of the relevant new business opportunity. The relevant covenantor will provide or procure the relevant controlled company to provide the listed issuer group with all such reasonable assistance to secure such new business opportunity. None of the covenantors and their relevant controlled companies (other than members of the listed issuer group) shall pursue the new business opportunity unless the listed issuer decides not to pursue the new business opportunity. Response time allowed for the listed issuer: 30 days
LH Group Limited (stock code: 1978)	30 May 2018	10%	The controlling shareholders have undertaken to procure that any new business investment or other business opportunity relating to the business identified by or made available to them or any of their associates, they shall and shall procure that their close associates shall refer such business opportunity to the listed issuer on a timely basis. The relevant controlling shareholder shall be entitled but not obliged to pursue such business opportunity if he or she or it has received a notice form the listed issuer's independent board declining such business opportunity or if the independent board failed to respond within the 30 days' period. Response time allowed for the listed issuer: 30 days

Company name	Listing date	Exemption for shareholding of less than certain % in the company concerned	Undertaking in respect of new business opportunity
MS Group Holdings Limited (stock code: 1451)	1 June 2018	5%	Each of the controlling shareholders jointly and severally, irrevocably and unconditionally, undertakes that if any of the controlling shareholders decides to invest, be engaged, or participate in any restricted business, whether directly or indirectly, each of them will and/or will procure their close associates (other than member of the listed issuer group) to disclose the terms of such investment, engagement or participation to the listed issuer and its directors as soon as practicable and use their best endeavours to procure that such investment, engagement or participation is offered to the listed issuer on terms no less favourable than the terms on which such investment, engagement or participation is offered to them. When any new business opportunities are referred to the listed issuer by any controlling shareholders, the independent non-executive directors of the listed issuer will consider such opportunity on various aspects including viability and profitability. If after offering the new business opportunities to the listed issuer, and the listed issuer has confirmed in writing that the listed issuer group does not wish to be engaged or interested in the relevant restricted business and it has approved in writing the relevant controlling shareholder(s) and their close associates to engage or have any interest in the restricted business, the relevant controlling shareholders and their respective close associates are entitled to engage or have an interest in any restricted business. Response time allowed for the listed issuer: Not specified

Company name	Listing date	Exemption for shareholding of less than certain % in the company concerned	Undertaking in respect of new business opportunity
Tian Yuan Group Holdings Limited (stock code: 6119)	1 June 2018	5%	Each of the controlling shareholders undertakes that if he/it or his/its close associates (other than any member of the listed issuer group) is offered or becomes aware of any business opportunity which may compete with the existing business activity of any member of the listed issuer group or any business activity to be conducted by any member of the listed issuer group from time to time after the listing, he/it shall (and he/it shall procure his/its close associates to) notify the listed issuer group in writing and the listed issuer group shall have a right of first refusal to take up such business opportunity. The listed issuer group shall, within 30 days after receipt of the written notice (or such longer period if the listed issuer group is required to complete any approval procedures as set out under the Listing Rules from time to time), notify the controlling shareholder(s) whether the listed issuer group will exercise the right of first refusal. Response time allowed for the listed issuer: 30 days

Therefore, we are of the view that the provisions under the Proposed Amendments are in line with market practice.

We are not aware of any reciprocal undertakings provided by the listed issuers in the Reference Cases. Nevertheless, none of the undertaking entities in the Reference Cases is listed company. Given that VS Berhad is a listed issuer in Malaysia, we are of the view that it is reasonable for the Company to provide reciprocal undertakings to VS Berhad.

Based on the above, we are of the view that the terms of the Supplemental Territorial Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Supplemental Territorial Agreement are fair and reasonable; and (ii) the Proposed Amendments are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Supplemental Territorial Agreement and the Proposed Amendments, and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director *(Note 1)*	**The Company/ name of associated corporation**	**Capacity**	**Number and class of securities** *(Note 2)*	**Approximate percentage of interest**
Mr. Beh Kim Ling	The Company	Beneficial owner	163,960,050 Shares (L) *(Notes 3 and 6)*	7.11%
	V.S. Corporation (Hong Kong) Co., Limited ("**VSHK**")	Beneficial owner	3,750,000 non-voting deterred shares of HK$1 each (L)	5.00%
	V.S. Investment Holdings Limited ("**VS Investment**")	Beneficial owner	5 ordinary shares of HK$1 each (L)	Nominal
	VS Berhad	Beneficial owner	143,325,993 ordinary shares (L) *(Note 7)*	8.48%
Mr. Gan Sem Yam	The Company	Beneficial owner	60,178,913 Shares (L) *(Notes 3 and 6)*	2.61%
	VSHK	Beneficial owner	3,750,000 non-voting deterred shares of HK$1 each (L)	5.00%
	VS Investment	Beneficial owner	5 ordinary shares of HK$1 each (L)	Nominal
	VS Berhad	Beneficial owner	89,428,439 ordinary shares (L) *(Note 8)*	5.29%

Name of Director *(Note 1)*	The Company/ name of associated corporation	Capacity	Number and class of securities *(Note 2)*	Approximate percentage of interest
Madam Gan Chu Cheng	The Company	Beneficial owner	45,843,398 Shares (L) *(Notes 3 and 6)*	1.99%
	VSHK	Beneficial owner	3,750,000 non-voting deterred shares of HK$1 each (L)	5.00%
	VS Investment	Beneficial owner	5 ordinary shares of HK$1 each (L)	Nominal
	VS Berhad	Beneficial owner	127,707,643 ordinary shares (L) *(Note 9)*	7.55%
Mr. Zhang Pei Yu	The Company	Beneficial owner	15,509,518 Shares (L) *(Notes 3 and 6)*	0.67%
Mr. Beh Chern Wei	The Company	Beneficial owner	42,507,518 Shares (L) *(Notes 3 and 6)*	1.84%
	VS Berhad	Beneficial owner	21,250,000 shares (L) *(Note 10)*	1.26%
Mr. Gan Tiong Sia	The Company	Beneficial owner	24,989,510 Shares (L) *(Notes 4 and 6)*	1.08%
	VSHK	Beneficial owner	3,750,000 non-voting deterred shares of HK$1 each (L)	5.00%
	VS Berhad	Beneficial owner	31,373,037 ordinary shares (L) *(Note 11)*	1.86%
Mr. Diong Tai Pew	The Company	Beneficial owner	3,329,569 Shares (L) *(Notes 5 and 6)*	0.14%
Mr. Tang Sim Cheow	The Company	Beneficial owner	2,202,288 Shares (L) *(Notes 5 and 6)*	0.10%
	VS Berhad	Beneficial owner	250,000 ordinary shares (L) *(Note 12)*	0.01%
Ms. Fu Xiao Nan	The Company	Beneficial owner	1,563,158 Shares (L) *(Notes 5 and 6)*	0.07%

Notes:

1. Mr. Beh Kim Ling is the husband of Madam Gan Chu Cheng, and the brother-in-law of Mr. Gan Sem Yam and Mr. Gan Tiong Sia. Madam Gan Chu Cheng is the sister of Mr. Gan Sem Yam and Mr. Gan Tiong Sia. Mr. Beh Chern Wei is the son of Mr. Beh Kim Ling and Madam Gan Chu Cheng, and the nephew of Mr. Gan Tiong Sia and Mr. Gan Sem Yam.

2. The letter "L" represents the Director's long position interest in the Shares or the shares in the Company's associated corporations.

3. 15,507,518 of these Shares would be allotted and issued upon exercise in full of the outstanding share options granted to each of the executive Directors, namely Mr. Beh Kim Ling, Mr. Gan Sem Yam, Madam Gan Chu Cheng, Mr. Zhang Pei Yu and Mr. Beh Chern Wei, respectively by the Company under its share option scheme, details of which are set out in note 6 below.

4. 7,774,436 of these Shares would be allotted and issued upon exercise in full of the outstanding share options granted to the non-executive Director, namely Mr. Gan Tiong Sia, by the Company under its share option scheme, details of which are set out in note 6 below.

5. 1,563,158 of these Shares would be allotted and issued upon exercise in full of the outstanding share options granted to each of the Independent non-executive Directors, namely Mr. Diong Tai Pew, Mr. Tang Sim Cheow and Ms. Fu Xiao Nan, respectively by the Company under its share option scheme, details of which are set out in note 6 below.

6. On 12 January 2017, share options were granted by the Company under its share option scheme, which was adopted on 21 September 2012 and will be valid until 20 September 2022, to, among other eligible participants, the Directors. These share options, all of which remained outstanding as at the Latest Practicable Date, are exercisable at a price of HK$0.310 per Share during the exercise periods.

7. 3,187,500 of these shares would be allotted and issued upon exercise in full of the outstanding share options granted by VS Berhad at the exercise price of RM0.56 per share during a period of 5 years from 12 May 2015. 2,437,500 of these shares would be allotted and issued upon exercise in full the warrants granted by VS Berhad at an initial exercise price of RM1.32 per share (subject to adjustments) during a period of 3 years from 7 January 2016.

8. 1,062,500 of these shares would be allotted and issued upon exercise in full of the outstanding share options granted by VS Berhad at the exercise price of RM0.56 per share during a period of 5 years from 12 May 2015. 77 of these shares would be allotted and issued upon exercise in full the warrants granted by VS Berhad at an initial exercise price of RM1.32 per share (subject to adjustments) during a period of 3 years from 7 January 2016.

9. 1,062,500 of these shares would be allotted and issued upon exercise in full of the outstanding share options granted by VS Berhad at the exercise price of RM0.56 per share during a period of 5 years from 12 May 2015. 2,375,218 of these shares would be allotted and issued upon exercise in full the warrants granted by VS Berhad at an initial exercise price of RM1.32 per share (subject to adjustments) during a period of 3 years from 7 January 2016.

10. 250,000 of these shares would be allotted and issued upon exercise in full of the outstanding share options granted by VS Berhad at the exercise price of RM0.56 per share during a period of 5 years from 12 May 2015. 250,000 of these shares would be allotted and issued upon exercise in full the warrants granted by VS Berhad at an initial exercise price of RM1.32 per share (subject to adjustments) during a period of 3 years from 7 January 2016.

11. 1,062,500 of these shares would be allotted and issued upon exercise in full of the outstanding share options granted by VS Berhad at the exercise price of RM0.56 per share during a period of 5 years from 12 May 2015.

12. 125,000 of these shares would be allotted and issued upon exercise in full of the outstanding share options granted by VS Berhad at the exercise price of RM0.56 per share during a period of 5 years from 12 May 2015.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	**Number of Shares** *(Note 1)*	**Nature of interest/ capacity**	**Approximate percentage of interest**
VS Berhad *(Note 2)*	1,000,109,963 Shares (L)	Beneficial owner	43.34%

Notes:

1. The letter "L" represents the corporation's long position interest in the Shares.

2. Each of Mr. Beh Kim Ling (an executive Director), Mr. Gan Sem Yam (an executive Director), Madam Gan Chu Cheng (an executive Director), and Mr. Gan Tiong Sia (a non-executive Director) is an executive director of VS Berhad. Mr. Beh Chern Wei (an executive Director) is an alternate director to Mr. Gan Tiong Sia in VS Berhad. Each of Mr. Diong Tai Pew (an independent non-executive Director) and Mr. Tang Sim Cheow (an independent non-executive Director) is an independent non-executive director of VS Berhad.

Save as disclosed above, there is no person (not being a Director or chief executive of the Company) known to the Directors or chief executive of the Company, who, as at the Latest Practicable Date, had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of a subsidiary of the Company.

4. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have since 31 July 2017, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group, other than (i) the provision of processing services to the Group for the term of the master processing agreement (the "**Kejie Master Processing Agreement**") entered into between the Group and Zhuhai Kejie Polymer Material Co., Ltd. ("**Zhuhai Kejie**") on 30 October 2015; and (ii) the leasing of properties to the Group from V.S. (Zhuhai) Management Co., Ltd. ("**VS Management**") under the lease agreement dated 13 September 2017 (the "**Lease Agreement**"), particulars of which are summarised as follows:

(i) pursuant to the Kejie Master Processing Agreement, V.S. Technology Industry Park (Zhuhai) Co., Ltd. ("**VS Zhuhai**") and V.S. Industry (Zhuhai) Co., Ltd. ("**VSI (Zhuhai)**") (both being subsidiaries of the Company) agreed to engage Zhuhai Kejie for the provision of processing services, being colouration of plastic resin material and modification of chemical structure of plastic resin for the term of the Kejie Master Processing Agreement commencing from 1 August 2015 and ending on 31 July 2018. The quantity, specification and price of the processing services to be provided by Zhuhai Kejie will be subject to individual orders placed by VS Zhuhai and VSI (Zhuhai) with Zhuhai Kejie; and

(ii) On 13 September 2017, VS Zhuhai, VSI (Zhuhai) and VSA Electronics Technology (Zhuhai) Co., Ltd. (collectively, the "**Tenants**") entered into the Lease Agreement with VS Management for the leasing of 19 residential buildings in a residential complex for a term of three years commenced on 1 August 2017, which are used as staff quarters of the Tenants and the Group. Pursuant to the Lease Agreement, the monthly rent and management fee of RMB679,658 is payable on the fifth day of each month during the tenancy period. The aggregate annual rent and management fee payable by the Tenants to VS Management was estimated to be RMB8,155,896 for each of the three financial years ending 31 July 2020.

As at the Latest Practicable Date, none of the Directors were materially interested in any contract or arrangement entered into by any member of the Group since 31 July 2017, being the date to which the latest published audited financial statements of the Company were made up, and which was significant in relation to the business of the Group, other than (i) the Kejie Master Processing Agreement; and (ii) the Lease Agreement.

5. SERVICE AGREEMENTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. NO MATERIAL ADVERSE CHANGE

On 2 March 2018, the Company published a profit warning announcement for its interim results for the six months ended 31 January 2018 that the Group expected to record a decrease of more than 60% in its profit attributable to owners of the Company for the six months ended 31 January 2018, as compared to the amount of about RMB15.52 million for the corresponding period in 2017. As disclosed in the profit alert announcement of the Company dated 6 March 2017 and the interim report of the Company for the six months ended 31 January 2017, the increase in the profit attributable to owners of the Company from approximately RMB1.12 million for the six months ended 31 January 2016 to approximately RMB15.52 million for the six months ended 31 January 2017 was mainly attributable to the substantial increase in the amount of purchase orders placed by customers with the Group during the period which in turn increased its revenue. The significant decrease in profit attributable to owners of the Company for the six months ended 31 January 2018 was mainly attributable to the following reasons:

(i) decrease in gross profit and gross profit margin mainly due to (a) increase in costs of raw materials for the production; (b) keen competition in the market reducing the Group's ability to shift the increased costs to its customers; and (c) increase in labour costs;

(ii) increase in general and administrative expenses; and

(iii) increase in share of loss of an associate.

Saved as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company and its subsidiaries since 31 July 2017, being the date to which the latest published audited accounts of the Company and its subsidiaries were made up to.

7. MATERIAL LITIGATION

A writ of summons dated 25 January 2017 was served by the Energy Ally Global Limited (the "**Purchaser**"), a wholly-owned subsidiary of the Company, to Ms. Hui Sai Ha (the "**Vendor**"), Ms. Li Yongjia and Ms. Xu Wanting (collectively, the "**Guarantors**") for the failure to refund the deposits totaling RMB34 million paid by the Group in accordance with the settlement agreement dated 31 August 2016 and entered into between, among others, the Purchaser, the Vendor, the Guarantors in relation to the refund of deposits paid pursuant to an acquisition agreement dated 5 February 2015 for the purchase of 20% of the issued share capital of Cadre Project Development Company Limited. The Vendor served her defence dated 14 June 2017 on the Purchaser.

As at the Latest Practicable Date, save as disclosed above, none of the Company and its subsidiaries was engaged in any material litigation or arbitration and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company and its subsidiaries.

8. COMPETING INTERESTS

As at the Latest Practicable Date, Mr. Beh Kim Ling, Mr. Gan Sem Yam, Mr. Gan Tiong Sia and Madam Gan Chu Cheng, all being Directors, were directors and shareholders of VS Berhad; and Mr. Beh Chern Wei (an executive Director) was an alternate director to Mr. Gan Tiong Sia in VS Berhad and a shareholder of VS Berhad. VS Berhad is currently engaged in the manufacturing, assembling and sale of electronic and electrical products including primarily high-end vacuum cleaners, television and remote controls as well as plastic moulded components and parts. VS Berhad is also engaged in the business of mould design and fabrication.

In order to delineate the businesses of VS Berhad and its subsidiaries and those of the Group clearly and to regulate their respective activities with their customers, VS Berhad and the Company has given to each other certain non-compete undertakings under the Territorial Agreement, particulars of which are set out under "Relationship with the Group" in the section headed "Information on VS Berhad" in the Company's prospectus dated 28 January 2002, which is amended by the Supplemental Territorial Agreement (subject to the Independent Shareholders' approval), details of which are set out in the "Letter from the Board" in this circular.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

9. QUALIFICATION AND CONSENT OF EXPERT

Gram Capital is a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO.

Gram Capital has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which it appears.

As at the Latest Practicable Date, Gram Capital did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

Gram Capital does not have any interest, direct or indirect, in any assets which since 31 July 2017, being the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Chiu & Partners, 40th Floor, Jardine House, 1 Connaught Place, Hong Kong during normal business hours from the date of this circular up to and including the date of EGM:

(i) the Kejie Master Processing Agreement;

(ii) the Lease Agreement;

(iii) the Territorial Agreement;

(iv) the Supplemental Territorial Agreement;

(v) the letter from the Independent Board Committee, the text of which is set out in pages 22 to 23 of this circular;

(vi) the letter from Gram Capital, the text of which is set out in pages 24 to 40 of this circular;

(vii) the consent letters referred to in the section headed "Qualification and consent of expert" in this Appendix; and

(viii) this circular.

11. MISCELLANEOUS

(i) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(ii) The head office and principal place of business of the Company in Hong Kong is at 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.

(iii) The company secretary of the Company is Ms. Ng Ting On, Polly, a practising solicitor in Hong Kong.

(iv) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(v) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

V.S. INTERNATIONAL GROUP LIMITED
威鋮國際集團有限公司

(incorporated in the Cayman Islands with limited liability)
(Stock code: 1002)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the "**EGM**") of V.S. International Group Limited (the "**Company**") will be held at Star City Hotel, No. 88, Jingshan Road, Jida, Zhuhai, Guangdong Province, the People's Republic of China on Friday, 3 August 2018 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution which will be proposed as ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(a) the supplemental agreement (the "**Supplemental Territorial Agreement**") dated 1 June 2018 and entered into by the Company and V.S. Industry Berhad to amend the current non-competition undertakings under the territorial agreement dated 20 January 2002 and entered into between the same parties (a copy of which is tabled at the EGM marked "**A**" and signed by the chairman of the EGM for the purpose of identification) be and is hereby approved, confirmed and ratified; and

(b) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion considers as necessary, expedient or desirable for the purpose of or in connection with the implementation of the Supplemental Territorial Agreemeent and the transactions contemplated thereunder, including but not limited to the execution all such documents under seal where applicable, as he/she considers necessary or expedient in his/her opinion to implement and/or give effect to the Supplemental Territorial Agreemeent, and the taking of all necessary actions to implement the Supplemental Territorial Agreemeent."

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
16 July 2018

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 Wednesday, 1 August 2018, Hong Kong time) or any adjournment thereof.

3. Record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the EGM will be on Monday, 30 July 2018. In order to be eligible to attend and vote at the EGM, all transfers of shares, accompanied by the relevant share certificate(s), must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Monday, 30 July 2018.

4. As at the date of this notice, the board of directors ("**Directors**") of the Company comprises Mr. Beh Kim Ling, Mr. Gan Sem Yam, Madam Gan Chu Cheng, Mr. Beh Chern Wei and Mr. Zhang Pei Yu 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.