



V.S. INDUSTRY BERHAD (Co. No. 88160-P)
(Incorporated in Malaysia)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Third Annual General Meeting ("33rd AGM") of V.S. INDUSTRY BERHAD ("VSI" or "the Company") will be held at Perwira 1, Le Grandeur Palm Resort Johor, Jalan Persiaran Golf, Off Jalan Jumbo, 81250 Senai, Johor on Tuesday, 5 January 2016 at 10.00 a.m. for the following purposes:-

- ORDINARY BUSINESS**
- To receive the Audited Financial Statements for the financial year ended 31 July 2015 together with the Directors' and Auditors' reports thereon. (Please refer to Note No. 1)
 - To approve the payment of a final single tier dividend of 1.2 sen per ordinary share of RM0.20 each for the financial year ended 31 July 2015. **Resolution 1**
 - To approve the payment of Directors' fees totalling RM412,000 for the financial year ended 31 July 2015. **Resolution 2**
 - To re-elect the following Directors retiring in accordance with the Articles of Association of the Company:
(a) Datuk Gan Sem Yam - Article 93
(b) Mr Tang Sim Cheow - Article 93
(c) Mr Pan Swee Keat - Article 93 **Resolution 3**
Resolution 4
Resolution 5
 - To re-appoint the retiring Auditors, Messrs KPMG as Auditors and to authorise the Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS
To consider and, if thought fit, to pass the following Ordinary Resolutions:

- 6. ORDINARY RESOLUTION**
Proposed Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965
"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 7**

- 7. ORDINARY RESOLUTION**
Proposed Renewal of Shareholders' Approval for Share Buy-Back
"THAT, subject to compliance with the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, regulations and guidelines of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to allocate an amount not exceeding the total audited share premium and retained profits of the Company for the purpose of and to purchase such amount of ordinary shares of RM0.20 each ("VSI Shares") in the Company as may be determined by the Directors of the Company from time to time through the Bursa Securities as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company. AND THAT upon completion of the purchase by the Company of its own shares, the Directors are authorised to retain the VSI Shares as treasury shares or cancel the VSI Shares or retain part of the VSI Shares so purchased as treasury shares and cancel the remainder. The Directors are further authorised to resell the treasury shares on the Bursa Securities or distribute the VSI Shares as dividends to the Company's shareholders or subsequently cancel the treasury shares or any combination of the three. AND THAT the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:
(i) the conclusion of the next Annual General Meeting of the Company at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next Annual General Meeting after that is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;
whichever is the earliest but not so as to prejudice the completion of purchase of own shares by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit, necessary or expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full power to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities." **Resolution 8**

- 8. ORDINARY RESOLUTION**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") with V.S. International Group Limited, its subsidiaries and associates ("Proposed Renewal of Shareholders' Mandate for RRPTs with V.S. International Group Limited, its subsidiaries and associates")
"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into RRPTs with V.S. International Group Limited, its subsidiaries and associates as set out in Section 2.3, Part B, the Circular to the Shareholders of VSI dated 27 November 2015, subject to the following:
(i) the RRPTs are:
(a) necessary for the day-to-day operations;
(b) undertaken in the ordinary course of business and at arm's length basis and are on terms not more favourable to the related parties than those generally available to the public; and
(c) are not detrimental to the shareholders of the Company; and
(ii) the disclosure is made in the Annual Report of the Company of the aggregate value of the RRPTs based on the type of transactions, the names of the related parties and their relationship with the Company pursuant to the Proposed Renewal of Shareholders' Mandate for RRPTs with V.S. International Group Limited, its subsidiaries and associates during the period in which the Proposed Renewal of Shareholders' Mandate for RRPTs with V.S. International Group Limited, its subsidiaries and associates is in force; and
(iii) the Proposed Renewal of Shareholders' Mandate for RRPTs with V.S. International Group Limited, its subsidiaries and associates is subject to annual renewal and will continue to be in full force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;
AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the RRPTs contemplated and/or authorised by this Ordinary Resolution." **Resolution 9**

- 9. ORDINARY RESOLUTION**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") with VS Marketing & Engineering Pte. Ltd. and/or Serumi International Private Limited ("Proposed Renewal of Shareholders' Mandate for RRPTs with VS Marketing & Engineering Pte. Ltd. and/or Serumi International Private Limited")
"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into RRPTs with VS Marketing & Engineering Pte. Ltd. and/or Serumi International Private Limited as set out in Section 2.3, Part B, the Circular to the Shareholders of VSI dated 27 November 2015, subject to the following:
(i) the RRPTs are:
(a) necessary for the day-to-day operations;
(b) undertaken in the ordinary course of business and at arm's length basis and are on terms not more favourable to the related parties than those generally available to the public; and
(c) are not detrimental to the shareholders of the Company; and
(ii) the disclosure is made in the Annual Report of the Company of the aggregate value of the RRPTs based on the type of transactions, the names of the related parties and their relationship with the Company pursuant to the Proposed Renewal of Shareholders' Mandate for RRPTs with VS Marketing & Engineering Pte. Ltd. and/or Serumi International Private Limited during the period in which the Proposed Renewal of Shareholders' Mandate for RRPTs with VS Marketing & Engineering Pte. Ltd. and/or Serumi International Private Limited is in force; and

- (iii) the Proposed Renewal of Shareholders' Mandate for RRPTs with VS Marketing & Engineering Pte. Ltd. and/or Serumi International Private Limited is subject to annual renewal and will continue to be in full force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;
AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the RRPTs contemplated and/or authorised by this Ordinary Resolution." **Resolution 10**

- 10. ORDINARY RESOLUTION**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") with Lip Sheng International Ltd and/or Lip Sheng Precision (Zhuhai) Co., Ltd. ("Proposed Renewal of Shareholders' Mandate for RRPTs with Lip Sheng International Ltd and/or Lip Sheng Precision (Zhuhai) Co., Ltd.")
"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into RRPTs with Lip Sheng International Ltd and/or Lip Sheng Precision (Zhuhai) Co., Ltd. as set out in Section 2.3, Part B, the Circular to the Shareholders of VSI dated 27 November 2015, subject to the following:
(i) the RRPTs are:
(a) necessary for the day-to-day operations;
(b) undertaken in the ordinary course of business and at arm's length basis and are on terms not more favourable to the related parties than those generally available to the public; and
(c) are not detrimental to the shareholders of the Company; and
(ii) the disclosure is made in the Annual Report of the Company of the aggregate value of the RRPTs based on the type of transactions, the names of the related parties and their relationship with the Company pursuant to the Proposed Renewal of Shareholders' Mandate for RRPTs with Lip Sheng International Ltd and/or Lip Sheng Precision (Zhuhai) Co., Ltd. during the period in which the Proposed Renewal of Shareholders' Mandate for RRPTs with Lip Sheng International Ltd and/or Lip Sheng Precision (Zhuhai) Co., Ltd. is in force; and
(iii) the Proposed Renewal of Shareholders' Mandate for RRPTs with Lip Sheng International Ltd and/or Lip Sheng Precision (Zhuhai) Co., Ltd. is subject to annual renewal and will continue to be in full force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;
AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the RRPTs contemplated and/or authorised by this Ordinary Resolution." **Resolution 11**

- 11. ORDINARY RESOLUTION**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") with Beantah Pte. Ltd. ("Proposed Renewal of Shareholders' Mandate for RRPTs with Beantah Pte. Ltd.")
"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into RRPTs with Beantah Pte. Ltd. as set out in Section 2.3, Part B, the Circular to the Shareholders of VSI dated 27 November 2015, subject to the following:
(i) the RRPTs are:
(a) necessary for the day-to-day operations;
(b) undertaken in the ordinary course of business and at arm's length basis and are on terms not more favourable to the related parties than those generally available to the public; and
(c) are not detrimental to the shareholders of the Company; and
(ii) the disclosure is made in the Annual Report of the Company of the aggregate value of the RRPTs based on the type of transactions, the names of the related parties and their relationship with the Company pursuant to the Proposed Renewal of Shareholders' Mandate for RRPTs with Beantah Pte. Ltd. during the period in which the Proposed Renewal of Shareholders' Mandate for RRPTs with Beantah Pte. Ltd. is in force; and
(iii) the Proposed Renewal of Shareholders' Mandate for RRPTs with Beantah Pte. Ltd. is subject to annual renewal and will continue to be in full force until:
(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier;
AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the RRPTs contemplated and/or authorised by this Ordinary Resolution." **Resolution 12**

- 12. ORDINARY RESOLUTION**
Retention of Independent Director
"That Tan Sri Mohd Nadzmi Bin Mohd Salleh be retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **Resolution 13**

- 13. ORDINARY RESOLUTION**
Retention of Independent Director
"That Mr Pan Swee Keat be retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **Resolution 14**

- 14. ORDINARY RESOLUTION**
Retention of Independent Director
"That Mr Tang Sim Cheow be retained as Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012." **Resolution 15**

15. To transact any other business for which due notice shall have been given.
Further notice is hereby given that for the purpose of determining a member who shall be entitled to attend the 33rd AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 23 December 2015. Only a depositor whose name appears on the Record of Depositors as at 23 December 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

ANG MUI KIOU
CHIAM MEI LING
Secretaries

Johor Bahru
27 November 2015

NOTES:
1. Audited Financial Statements
This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

- 2. Form of Proxy**
(i) A member of the Company entitled to attend and vote at the above meeting is not entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy may be filed but not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy.
(ii) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
(iii) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
(iv) Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

Where a Member or authorised nominee appoints two (2) proxies, or where an Exempt Authorised Nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
(v) All forms of proxy must be deposited at the Registered Office of the Company situated at Suite 7E, Level 7, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

3. Explanatory Notes on Special Business
(i) **Proposed Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

The proposed Resolution No. 7, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares from the unissued capital of the Company up to an amount not exceeding in total ten percent (10%) of the total issued and paid-up share capital of the Company for such purposes and to such person or persons as the Directors in their absolute discretion consider to be in the interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.
The mandate sought under Ordinary Resolution No. 7 above is a renewal of an existing mandate and the proceeds raised from the previous mandate for the period from 5 January 2015 to 31 October 2015 (latest practicable date) were as follows:

- RM17.90 million pursuant to the Company's Employees' Share Option Scheme which was approved at Extraordinary General Meetings held on 19 November 2010 (which was subsequently terminated on 8 May 2015) and 8 May 2015; and
- RM78.82 million arising from private placement.

The proceeds raised had been partially utilised for working capital.
The renewed general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment, working capital, acquisitions and/or paying down borrowings.

- (ii) **Proposed Renewal of Shareholders' Approval for Share Buy-Back**
The proposed Resolution No. 8, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the total issued and paid-up share capital of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information on the Proposed Share Buy-Back, please refer to the Share Buy-Back Statement dated 27 November 2015 accompanying the Company's 2015 Annual Report.
(iii) **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")**
The proposed Resolutions No. 9 to 12, if passed, will authorise the Company and/or its subsidiaries to enter into RRPTs with the respective related parties as set out in Section 2.3, Part B, the Circular to the Shareholders 27 November 2015. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information on the Proposed Renewal of Shareholders' Mandate for RRPTs, please refer to the Circular to Shareholders dated 27 November 2015 which was circulated together with the 2015 Annual Report.
(iv) **Retention as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance 2012 (Resolution 13, Resolution 14 and Resolution 15)**

- (a) **Tan Sri Mohd Nadzmi Bin Mohd Salleh**
Tan Sri Mohd Nadzmi Bin Mohd Salleh was appointed as an Independent Non-Executive Director of the Company on 24 October 1996 and has, therefore served for more than nine (9) years. As at the date of the notice of the 33rd AGM, he has served the Company for 19 years. However, he has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"). The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.
(b) **Mr Pan Swee Keat**
Mr Pan Swee Keat was appointed as an Independent Non-Executive Director of the Company on 22 May 2001 and has, therefore served for more than nine (9) years. As at the date of the notice of the 33rd AGM, he has served the Company for 14 years. However, he has met the independence guidelines as set out in Chapter 1 of the MMLR. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.
(c) **Mr Tang Sim Cheow**
Mr Tang Sim Cheow was appointed as an Independent Non-Executive Director of the Company on 1 October 2004 and has, therefore served for more than nine (9) years. As at the date of the notice of the 33rd AGM, he has served the Company for 11 years. However, he has met the independence guidelines as set out in Chapter 1 of the MMLR. The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT
Subject to the approval of the shareholders at the Thirty Third Annual General Meeting, a final single tier dividend of 1.2 sen per ordinary share of RM0.20 each for the financial year ended 31 July 2015, will be paid on 29 January 2016 to those registered in the Record of Depositors at the close of business on 19 January 2016.
A depositor shall qualify for entitlement to dividend only in respect of:

- Shares transferred into the Depositor's Securities Account before 4 p.m. on 19 January 2016 in respect of ordinary transfers; and
- Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.