



**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Thirty Seventh Annual General Meeting ("37th AGM") of **V.S. INDUSTRY BERHAD** ("VSI" or "the Company") will be held at Iskandar I, Hotel Jen Puteri Harbour, Johor, Persiaran Puteri Selatan, Puteri Harbour, 79000 Iskandar Puteri, Johor Darul Takzim on Friday, 3 January 2020 at 10.30 a.m. for the following purposes:-

**ORDINARY BUSINESS**

- To receive the Audited Financial Statements for the financial year ended 31 July 2019 together with the Directors' and Auditors' reports thereon.
- To approve the payment of a final dividend of 0.8 sen per ordinary share for the financial year ended 31 July 2019.
- To approve the payment of Directors' fees totalling RM604,267 for the financial year ended 31 July 2019.
- To approve the payment of Directors' fees up to an amount of RM684,600 for the financial year ending 31 July 2020, to be payable on quarterly basis in arrears.
- To re-elect the following Directors retiring in accordance with the Company's Constitution:
 

(a) Datuk Beh Kim Ling	- Clause 103
(b) Datin Gan Chu Cheng	- Clause 103
(c) Tan Pui Suang	- Clause 110
(d) Dato' Chang Lik Sean	- Clause 110
- To re-appoint the retiring Auditors, Messrs KPMG PLT as Auditors and to authorise the Directors to fix their remuneration.

(Please refer to Note No. 1)

**RESOLUTION 1**

**RESOLUTION 2**

**RESOLUTION 3**

**RESOLUTION 4**

**RESOLUTION 5**

**RESOLUTION 6**

**RESOLUTION 7**

**RESOLUTION 8**

**SPECIAL BUSINESS**

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

**7. ORDINARY RESOLUTION**  
**Proposed Authority to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016**

"THAT pursuant to Section 75 and Section 76 of the Companies Act 2016 and subject to the approval of the relevant governmental / regulatory authorities (if any), the Directors be and are hereby authorised to allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares to be allotted does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and hereby also empowered to obtain approval for the listing of and quotation for the additional shares to be allotted on the Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by a resolution of the Company at a general meeting."

**RESOLUTION 9**

**8. ORDINARY RESOLUTION**  
**Proposed Renewal of Shareholders' Approval for Share Buy-Back**

"THAT, subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act 2016, the provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company be and is hereby authorised to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("Proposed Share Buy-Back") provided that:

- the maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten percent (10%) of the total number of issued shares of the Company for the time being quoted on Bursa Securities;
- the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of retained profits of the Company based on its latest audited financial statements and/or the latest management accounts (where applicable) available up to the date of a transaction pursuant to the Proposed Share Buy-Back;

THAT the shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with in all or any of the following manner (as selected by the Company):

- the shares so purchased may be cancelled; and/or
- the shares so purchased may be retained as treasury shares in accordance with the relevant rules of Bursa Securities for distribution as dividend to the shareholders and/or resell through Bursa Securities and/or subsequently cancelled; and/or
- part of the shares so purchased may be retained as treasury shares with the remainder being cancelled;

THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by ordinary resolution of the shareholders of the Company in general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act 2016, the provisions of the Company's Constitution and the requirements of the Bursa Securities and all other relevant governmental/regulatory authorities."

**RESOLUTION 10**

**9. 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/Statement to the Shareholders of VSI dated 29 November 2019, subject to the following:

- the RRPTs are:
  - necessary for the day-to-day operations;
  - 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
  - are not detrimental to the shareholders of the Company; and
- 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
- 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:
  - 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;
  - the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - revoked or varied by resolution passed by the shareholders in general meeting,

**RESOLUTION 11**

**10. 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/Statement to the Shareholders of VSI dated 29 November 2019, subject to the following:

- the RRPTs are:
  - necessary for the day-to-day operations;
  - 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

- are not detrimental to the shareholders of the Company; and
  - 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
  - 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:
    - 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;
    - the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    - 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**

**11. 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/Statement to the Shareholders of VSI dated 29 November 2019, subject to the following:

- the RRPTs are:
    - necessary for the day-to-day operations;
    - 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
    - are not detrimental to the shareholders of the Company; and
  - 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
  - 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:
    - 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;
    - the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    - 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 13**

**12. 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/Statement to the Shareholders of VSI dated 29 November 2019, subject to the following:

- the RRPTs are:
    - necessary for the day-to-day operations;
    - 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
    - are not detrimental to the shareholders of the Company; and
  - 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
  - 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:
    - 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;
    - the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
    - 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 14**

**13. ORDINARY RESOLUTION**  
**Proposed allocation of Employees' Share Option Scheme ("ESOS") to Independent Non-Executive Directors**

"THAT approval be and is hereby given to the Board of Directors to offer and if such offer is accepted, to grant at any time and from time to time to each of the following Independent Non-Executive Directors of the Company of up to 500,000 new shares of the Company subject always to such terms and conditions of the existing ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the ESOS:

- Diong Tai Pew
- Tan Pui Suang
- Dato' Chang Lik Sean

**RESOLUTION 15**  
**RESOLUTION 16**  
**RESOLUTION 17**

**14. ORDINARY RESOLUTION**  
**Proposed allocation of ESOS to Alternate Directors**

"THAT approval be and is hereby given to the Board of Directors to offer and if such offer is accepted, to grant at any time and from time to time to each of the following Alternate Directors of the Company of up to 3,000,000 new shares of the Company subject always to such terms and conditions of the existing ESOS as may, from time to time, be modified, varied and/or amended in accordance with the provisions of the By-Laws governing and constituting the ESOS:

- Beh Chern Wei being Alternate Director to Dato' Gan Tiong Sia
- Gan Pee Yong being Alternate Director to Ng Yong Kang

**RESOLUTION 18**  
**RESOLUTION 19**

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 37th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 23 December 2019. Only a depositor whose name appears on the Record of Depositors as at 23 December 2019 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**  
**CHEN YEW TING**  
**CHIAM MEI LING**  
 Secretaries

Johor Bahru  
 29 November 2019

**NOTES:**

**1. Audited Financial Statements**

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 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**

- A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two (2) proxies to attend and vote in his stead. A proxy must be of full age. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. 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.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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 an Exempt Authorised Nominee appoints more than one (1) proxy in respect of each omnibus account, the appointment shall be invalid unless the Exempt Authorised Nominee specifies the proportion of its shareholding to be represented by each proxy.
- 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.
- All duly completed forms of proxy must be deposited at the Registered Office of the Company situated at Suite 9D, Level 9, Menara Ansar, 65, Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/his/her proxy. Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the member(s).

**3. Explanatory Notes on Ordinary Business – To approve the payment of Directors' fees up to an amount of RM684,600 for the financial year ending 31 July 2020, to be payable on quarterly basis in arrears (Resolution 3)**

Section 230(1) of the Companies Act 2016 provides that "fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval shall be sought at this Annual General Meeting (37th AGM) for the payment of Directors' fees to the Directors of the Company up to an amount of RM684,600 for the financial year ending 31 July 2020, to be payable on quarterly basis in arrears under Resolution 3.

Under Ordinary Resolution 3, the quantum of the Directors' fees proposed for the Directors are based on the current Directors' fees structure and assuming that all the Directors will hold office until the conclusion of the financial year ending 31 July 2020 and including fee provision for two additional Independent Non-Executive Director to be appointed during the financial year ending 31 July 2020. In the event that any Director hold office for only part of the financial year ending 31 July 2020, the Director's fee payable to him will be appropriately pro-rated.

The proposed Resolution 3, if passed, is to facilitate the payment of Directors' fees as and when incurred. The Board opined that it is just and equitable for the Directors to be paid such payment on such basis upon them discharging their responsibilities and rendering their services to the Company.

**4. Explanatory Notes on Special Business**

**i. Proposed Authority to Issue Shares Pursuant to Section 75 and Section 76 of the Companies Act 2016 (Resolution 9)**

The proposed Resolution No. 9, 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 number of issued shares 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. 9 above is a renewal of an existing mandate. There was no issuance of share and thus no proceeding being raised since the last renewal was sought.

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 (Resolution 10)**

The proposed Resolution No. 10, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the total number of issued shares 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 Part A, the Circular/Statement to the Shareholders of VSI dated 29 November 2019 which was circulated together with the Company's 2019 Annual Report.

**iii. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") (Resolution 11, Resolution 12, Resolution 13 and Resolution 14)**

The proposed Resolutions No. 11 to 14, 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/Statement to the Shareholders of VSI dated 29 November 2019. 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/Statement to the Shareholders of VSI dated 29 November 2019 which was circulated together with the Company's 2019 Annual Report.

**iv. Proposed allocation of ESOS to Independent Non-Executive Directors (Resolution 15, Resolution 16 and Resolution 17) and Proposed allocation of ESOS to Alternate Directors (Resolution 18 and Resolution 19)**

The Company wishes to highlight the proposed allocations of ESOS are to the existing newly appointed Independent Non-Executive Directors and Alternate Directors during the year 2018 and 2019 (hereinafter refer to "eligible persons"). The Alternate Director, Beh Chern Wei is the son of the Company Directors, namely Datuk Beh Kim Ling and Datin Gan Chu Cheng whereas Gan Pee Yong is the son of the Company Director, Datuk Gan Sem Yam.

The proposed allocation of ESOS will provide the eligible persons with an opportunity to have equity participation in the Company and help achieve the positive objectives as set out below:-

- To recognise the contribution of the eligible persons whose services are valued and considered vital to the operations and continued growth of the Group;
- To motivate the eligible persons towards improved performance through greater productivity and loyalty;
- To inculcate a greater sense of belonging and dedication as the eligible persons are given the opportunity to participate directly in the equity of the Company;
- To retain the eligible persons, hence ensuring that the loss of talent is kept to a minimum level; and
- To reward the eligible persons by allowing them to participate in the Group's profitability and eventually realise any capital gains arising from potential appreciation in the value of the Company's shares.

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

Subject to the approval of the shareholders at the 37th AGM, a final dividend of 0.8 sen per ordinary share for the financial year ended 31 July 2019, will be paid on 24 January 2020 to those registered in the Record of Depositors at the close of business on 17 January 2020.

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 17 January 2020 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.