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V.S. INTERNATIONAL GROUP LIMITED

威 鉞 國 際 集 團 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(stock code: 1002)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (“**Board**”) of V.S. International Group Limited (“**Company**”) would like to inform the investors and shareholders of the Company that the following financial information of the Company and its subsidiaries (“**Group**”) will be released to V.S. Industry Berhad (“**VS Berhad**”), a company listed on the Main Market of Bursa Malaysia Securities Berhad and holding company of the Company, for VS Berhad’s compilation of its quarterly report (“**Quarterly Report**”) for the three months ended 31 October 2018 in accordance with the applicable laws and regulations in Malaysia (including those of Bursa Malaysia Securities Berhad).

CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited	
	Three months ended 31 October	
	2018	2017
	RMB’000	RMB’000
Revenue	188,576	234,903
Cost of sales	(173,746)	(221,523)
Gross profit	<u>14,830</u>	<u>13,380</u>
Other income	985	248
Other (losses)/gains - net	(1,167)	625
Distribution costs	(14,275)	(11,245)
General and administrative expenses	(20,091)	(22,020)
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	Unaudited	
	Three months ended 31 October	
	2018	2017
	RMB'000	RMB'000
Operating loss	(19,718)	(19,012)
Finance costs - net	(3,508)	(2,948)
Share of loss of an associate	-	(1,681)
Loss before income tax	<u>(23,226)</u>	<u>(23,641)</u>
Income tax expense	(1,655)	(369)
Loss for the period attributable to owners of the Company	<u><u>(24,881)</u></u>	<u><u>(24,010)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	At 31 October	At 31 July
	2018	2018
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	464,386	463,488
Land use rights	13,651	13,751
Prepayments and deposits	14,675	18,349
Available-for-sale investment	-	8,198
Financial asset at fair value through other comprehensive income	8,198	-
Deferred income tax assets	537	466
	<u>501,447</u>	<u>504,252</u>
Current assets		
Inventories	72,947	115,881
Trade and other receivables	209,610	205,210
Amounts due from related parties	11,332	9,550
Bank deposits	88,255	68,024
Cash and cash equivalents	45,513	86,159
	<u>427,657</u>	<u>484,824</u>
Assets classified as held-for-sale	22,664	22,664
Total assets	<u><u>951,768</u></u>	<u><u>1,011,740</u></u>

	Unaudited At 31 October 2018 RMB'000	Audited At 31 July 2018 RMB'000
EQUITY		
Capital and reserves		
Share capital	105,013	105,013
Share premium	306,364	306,364
Reserves	80,540	98,911
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Total equity attributable to owners of the Company	491,917	510,288
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LIABILITIES		
Non-current liabilities		
Borrowings	-	5,880
Finance lease liabilities	10,197	4,683
Deferred income tax liabilities	2,296	1,782
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	12,493	12,345
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Current liabilities		
Trade and other payables	207,708	227,455
Amounts due to related parties	1,727	1,433
Borrowings	224,894	252,369
Finance lease liabilities	10,988	6,031
Tax payable	2,041	1,819
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	447,358	489,107
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Total liabilities	459,851	501,452
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Total equity and liabilities	951,768	1,011,740
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It is expected that the Quarterly Report will be released in Malaysia by 14 December 2018.

The above financial information was prepared by the Company's management based on the management accounts of the Group and the same has not been audited nor reviewed by the Company's auditors. There is no indication or assurance from the Company that the financial results of the Group for the three months ended 31 October 2018 will be the same as that presented in the Quarterly Report. Potential investors and shareholders of the Company are advised to exercise caution and not to place undue reliance on the Quarterly Report when dealing in the shares of the Company.

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

Zhuhai, the People's Republic of China, 13 December 2018

As at the date of this announcement, the Board comprises the following members:

Executive directors:

Mr. Beh Kim Ling
Mr. Gan Sem Yam
Madam Gan Chu Cheng
Mr. Zhang Pei Yu
Mr. Beh Chern Wei

Independent non-executive directors:

Mr. Diong Tai Pew
Mr. Tang Sim Cheow
Ms. Fu Xiao Nan

Non-executive director:

Mr. Gan Tiong Sia