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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 nine months ended 30 April 2020 in accordance with the applicable laws and regulations in Malaysia (including those of Bursa Malaysia Securities Berhad).

CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited	
	Nine months ended 30 April	
	2020	2019
	RMB’000	RMB’000
		(Restated)
Revenue	351,138	517,259
Cost of sales	(312,109)	(479,572)
Gross profit	<u>39,029</u>	<u>37,687</u>
Other income - net	5,670	1,707
Other gains - net	1,468	22
Distribution costs	(7,658)	(13,089)
General and administrative expenses	<u>(41,025)</u>	<u>(57,185)</u>

	Unaudited	
	Nine months ended 30 April	
	2020	2019
	RMB'000	RMB'000
		(Restated)
Operating loss	(2,516)	(30,858)
Finance costs - net	(8,673)	(10,680)
Loss before income tax	<u>(11,189)</u>	<u>(41,538)</u>
Income tax expense	(584)	(3,003)
Loss for the period attributable to owners of the Company	<u><u>(11,773)</u></u>	<u><u>(44,541)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	At 30 April	At 31 July
	2020	2019
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	315,226	376,815
Land use rights	-	13,348
Right-of-use assets	46,979	-
Financial asset at fair value through other comprehensive income	4,900	4,900
Prepayments	6,695	7,813
Deferred income tax assets	163	314
	<u>373,963</u>	<u>403,190</u>
Current assets		
Inventories	50,166	49,250
Contract assets	31,103	5,205
Trade and other receivables, deposits and prepayments	127,158	128,925
Amounts due from related parties	4,307	2,682
Restricted bank balances	62,246	66,582
Cash and cash equivalents	20,520	71,758
	<u>295,500</u>	<u>324,402</u>
Total assets	<u><u>669,463</u></u>	<u><u>727,592</u></u>

	Unaudited At 30 April 2020 RMB'000	Audited At 31 July 2019 RMB'000
EQUITY		
Capital and reserves		
Share capital	105,013	105,013
Share premium	306,364	306,364
Other deficit	(31,812)	(20,039)
Total equity attributable to owners of the Company	<u>379,565</u>	<u>391,338</u>
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LIABILITIES		
Non-current liabilities		
Loans from a director	39,383	17,245
Lease liabilities	844	-
Finance lease liabilities	-	5,974
Deferred income tax liabilities	2,022	1,721
	<u>42,249</u>	<u>24,940</u>
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Current liabilities		
Trade and other payables	106,016	121,234
Amounts due to related parties	4,292	1,913
Borrowings	129,837	176,393
Lease liabilities	7,275	-
Finance lease liabilities	-	11,300
Tax payable	229	474
	<u>247,649</u>	<u>311,314</u>
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Total liabilities	<u>289,898</u>	<u>336,254</u>
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Total equity and liabilities	<u>669,463</u>	<u>727,592</u>
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It is expected that the Quarterly Report will be released in Malaysia by 23 June 2020.

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 nine months ended 30 April 2020 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

Johor Bahru, Malaysia
22 June 2020

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

Executive directors:

Mr. Beh Kim Ling
Mr. Gan Sem Yam
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