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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)**

### **PROFIT WARNING**

This announcement is made by V.S. International Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**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).

Reference is made to the positive alert announcement of the Company dated 6 March 2017 (the “**Announcement**”) and the interim report of the Company for the six months ended 31 January 2017 (the “**Interim Report**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the information currently available to the Board, the Group is 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 Announcement and the Interim Report, 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.

Despite the expected drop in profit attributable to owners of the Company, the revenue of the Group for the six months ended 31 January 2018 remained largely stable when compared to that for the six months ended 31 January 2017.

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:

- (a) decrease in gross profit and gross profit margin mainly due to (i) increase in costs of raw materials for the production; (ii) keen competition in the market reducing the Group's ability to shift the increased costs to its customers; and (iii) increase in labour costs;
- (b) increase in general and administrative expenses; and
- (c) increase in share of loss of an associate.

As the Company is still in the process of finalising the consolidated interim results of the Group for the six months ended 31 January 2018, the information contained in this announcement is only based on a preliminary assessment by the management of the Company of the information currently available to the Board, and is not based on any figures or information which have been audited or reviewed by the external auditors of the Company. Therefore, the actual results of the Group for the six months ended 31 January 2018 may differ from the information contained in this announcement. Shareholders and potential investors should refer to the Group's interim results announcement for the six months ended 31 January 2018, which is expected to be published by the end of March 2018, for details of the performance of the Group.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Zhuhai, the PRC, 2 March 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