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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 2018 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	
	2018	2017
	RMB’000	RMB’000
Revenue	874,566	990,935
Cost of sales	(748,147)	(821,217)
Gross profit	<u>126,419</u>	<u>169,718</u>
Other income - net	4,550	4,903
Other gains/(losses) - net	3,478	(5,022)
Distribution costs	(34,402)	(53,545)
General and administrative expenses	(75,168)	(71,711)
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	Unaudited	
	Nine months ended 30 April	
	2018	2017
	RMB'000	RMB'000
Operating profit	24,877	44,343
Finance costs - net	(9,130)	(9,693)
Share of loss of an associate	(5,848)	(8,911)
Profit before income tax	<u>9,899</u>	<u>25,739</u>
Income tax expense	(1,757)	(10,147)
Profit for the period attributable to owners of the Company	<u><u>8,142</u></u>	<u><u>15,592</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	At 30 April	At 31 July
	2018	2017
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	487,138	497,318
Land use rights	16,773	18,069
Interest in an associate	11,426	17,274
Available-for-sale investment	8,198	-
Prepayments and deposits	16,989	11,420
Deferred income tax assets	343	1,704
	<u>540,867</u>	<u>545,785</u>
Current assets		
Inventories	139,987	132,762
Trade and other receivables	298,506	255,991
Amounts due from related parties	14,564	13,843
Bank deposits	69,453	70,670
Cash and cash equivalents	37,588	50,160
	<u>560,098</u>	<u>523,426</u>
Total assets	<u><u>1,100,965</u></u>	<u><u>1,069,211</u></u>

	Unaudited At 30 April 2018 RMB'000	Audited At 31 July 2017 RMB'000
EQUITY		
Capital and reserves		
Share capital	105,013	85,311
Share premium	306,364	236,590
Reserves	114,819	104,306
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Total equity attributable to owners of the Company	526,196	426,207
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LIABILITIES		
Non-current liabilities		
Borrowings	14,963	46,164
Finance lease liabilities	6,129	2,813
Deferred income tax liabilities	995	932
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	22,087	49,909
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Current liabilities		
Trade and other payables	311,349	337,395
Amounts due to related parties	2,116	1,753
Borrowings	228,483	243,927
Finance lease liabilities	5,847	1,683
Tax payable	4,887	8,337
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	552,682	593,095
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Total liabilities	574,769	643,004
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Total equity and liabilities	1,100,965	1,069,211
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It is expected that the Quarterly Report will be released in Malaysia by 28 June 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 nine months ended 30 April 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

Johor Bahru, Malaysia, 27 June 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