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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 2016 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	
	2016	2015
	RMB’000	RMB’000
		(Restated)
Revenue	213,715	222,659
Cost of sales	(184,137)	(189,663)
Gross profit	29,578	32,996
Other income	1,155	1,342
Other losses - net	(2,596)	(211)
Distribution costs	(11,983)	(13,925)
General and administrative expenses	(19,664)	(17,673)

	Unaudited	
	Three months ended 31 October	
	2016	2015
	RMB'000	RMB'000
		(Restated)
Operating (loss)/profit	(3,510)	2,529
Finance costs - net	(3,049)	(2,960)
Share of profit of an associate	14	22
Loss before income tax	(6,545)	(409)
Income tax expense	(1,906)	(2,269)
Loss for the period attributable to owners of the Company	(8,451)	(2,678)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited	Audited
	At 31 October	At 31 July
	2016	2016
	RMB'000	RMB'000
ASSETS		
Non-current assets		
Property, plant and equipment	458,648	455,100
Land use rights	18,449	18,576
Interest in an associate	15,898	15,884
Prepayments and deposits	21,866	9,772
Deferred income tax assets	2,320	2,221
	<u>517,181</u>	<u>501,553</u>
Current assets		
Inventories	168,464	94,869
Trade and other receivables	276,312	223,479
Amounts due from related parties	17,166	16,380
Bank deposits	147,225	12,986
Cash and cash equivalents	51,742	45,586
	<u>660,909</u>	<u>393,300</u>
Total assets	<u><u>1,178,090</u></u>	<u><u>894,853</u></u>

	Unaudited At 31 October 2016 RMB'000	Audited At 31 July 2016 RMB'000
EQUITY		
Capital and reserves		
Share capital	85,146	84,996
Share premium	235,318	234,180
Reserves	71,899	80,716
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Total equity attributable to owners of the Company	392,363	399,892
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LIABILITIES		
Non-current liabilities		
Borrowings	77,091	85,399
Deferred income tax liabilities	638	567
	<hr/>	<hr/>
	77,729	85,966
	<hr/>	<hr/>
Current liabilities		
Trade and other payables	496,247	234,693
Amounts due to related parties	2,591	703
Borrowings	201,885	164,785
Tax payable	7,275	8,814
	<hr/>	<hr/>
	707,998	408,995
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Total liabilities	785,727	494,961
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Total equity and liabilities	1,178,090	894,853
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It is expected that the Quarterly Report will be released in Malaysia by 23 December 2016.

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 2016 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, 22 December 2016

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