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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 OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

INTRODUCTION

The board (“**Board**”) of directors (“**Directors**”) of V.S. International Group Limited (“**Company**”) would like to announce the unaudited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the six months ended 30 June 2025, which have been reviewed by the audit committee (“**Audit Committee**”) of the Board.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2025

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Note	RMB'000	RMB'000
Revenue		224,429	787
Cost of sales		<u>(190,333)</u>	<u>(422)</u>
Gross profit		34,096	365
Other income – net		1,305	2,005
Other gains – net	3	1,586	1,200
Distribution costs		(3,032)	(276)
General and administrative expenses		(20,541)	(28,749)
Reversal of impairment on financial assets		<u>171</u>	<u>28</u>
Operating profit/(loss)		13,585	(25,427)
Finance costs – net	4(a)	(2,925)	(65)
Share of net profit of an associate accounted for using the equity method		–	2,225
Reversal of impairment on investment accounted for using the equity method		<u>–</u>	<u>9,179</u>
Profit/(loss) before income tax	4	10,660	(14,088)
Income tax expenses	5	<u>(4,098)</u>	<u>(279)</u>
Profit/(loss) for the period		<u>6,562</u>	<u>(14,367)</u>
Attributable to:			
Owners of the Company		589	(14,367)
Non-controlling interests		<u>5,973</u>	<u>–</u>
Profit/(loss) for the period		<u>6,562</u>	<u>(14,367)</u>
Profit/(loss) per share attributable to owners of the Company during the period (Renminbi cents)			
Basic and diluted	7	<u>0.02</u>	<u>(0.62)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		Unaudited At 30 June 2025 RMB'000	Audited At 31 December 2024 RMB'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		137,584	142,821
Right-of-use assets		41,318	44,953
Investment properties		455,900	455,900
Other receivables, deposits and prepayments	8	701	981
Deferred income tax assets		6,011	5,537
		<u>641,514</u>	<u>650,192</u>
Current assets			
Inventories		74,759	86,037
Trade and other receivables, deposits and prepayments	8	70,116	73,208
Amounts due from related parties		178	—
Restricted bank balance		1,975	13,198
Cash and cash equivalents		62,163	53,632
		<u>209,191</u>	<u>226,075</u>
Total assets		<u>850,705</u>	<u>876,267</u>
EQUITY			
Capital and reserves			
Share capital		114,351	114,351
Share premium		310,099	310,099
Other reserves		86,897	87,005
Total equity attributable to owners of the Company		511,347	511,455
Non-controlling interests		<u>71,705</u>	<u>65,732</u>
Total equity		<u>583,052</u>	<u>577,187</u>

		Unaudited	Audited
		At 30 June	At 31 December
		2025	2024
<i>Note</i>		<i>RMB'000</i>	<i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Loans from a director		–	18,321
Borrowings		2,817	4,649
Lease liabilities		7,920	11,659
Employee benefit obligations		3,026	2,824
Deferred income tax liabilities		82,715	82,802
		<u>96,478</u>	<u>120,255</u>
Current liabilities			
Trade and other payables	9	82,586	81,351
Contract liabilities	9	2,819	4,379
Loans from a director		28,272	10,382
Borrowings		46,511	64,803
Lease liabilities		6,124	6,149
Amounts due to related parties		174	4,307
Tax payable		4,689	7,454
		<u>171,175</u>	<u>178,825</u>
Total liabilities		<u>267,653</u>	<u>299,080</u>
Total equity and liabilities		<u>850,705</u>	<u>876,267</u>

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company has a financial year end date of 31 December. This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The preparation of this condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the annual financial statements for the year ended 31 December 2024.

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024, except as mentioned below.

(a) Amendments to standards adopted by the Group

The Group has applied the following amendments to standards for the first time for their annual reporting period commencing 1 January 2025:

Standards	Subject of amendment
HKAS 21 (Amendments)	Lack of Exchangeability

The adoption of the above amendments did not have any significant impact on the preparation of this interim condensed consolidated financial information.

(b) New standards, amendments to existing standards and interpretations not yet adopted

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for the Group’s accounting periods beginning on or after 1 January 2025 and have not been early adopted by the Group:

Standards	Subject of amendment	Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (2020) Presentation of Financial Statements (Amendments)	Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

These new standards and amendments to standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 SEGMENT REPORTING

The Group manages its business by division, which is organised by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

Plastic injection and moulding : manufacturing and sale of plastic moulded products and parts

Assembling of electronic products : assembling and sale of electronic products, including processing fees generated from assembling of electronic products

Mould design and fabrication : manufacturing and sale of plastic injection moulds

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and current assets other than deferred income tax assets, investment properties and unallocated head office and corporate assets. Segment liabilities include trade and other payables attributable to the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Revenue for the period consists of the following:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue		
Plastic injection and moulding	82,984	338
Assembling of electronic products	140,349	315
Mould design and fabrication	1,096	134
	224,429	787
Timing of revenue recognition		
At a point in time	224,429	787
Over time	–	–
	224,429	787

(a) Segment results, assets and liabilities

The measure used for reporting segment profit/loss is “segment result”. To arrive at “segment result”, the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs.

In addition to receiving segment information regarding “segment result”, management is provided with other segment information in relation to depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Plastic injection and moulding		Assembling of electronic products		Mould design and fabrication		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Six months ended 30 June:								
Revenue from external customers	<u>82,984</u>	<u>338</u>	<u>140,349</u>	<u>315</u>	<u>1,096</u>	<u>134</u>	<u>224,429</u>	<u>787</u>
Reportable segment result	<u>11,060</u>	<u>(2,536)</u>	<u>18,555</u>	<u>6</u>	<u>111</u>	<u>(3)</u>	<u>29,726</u>	<u>(2,533)</u>
Additions to non-current segment assets during the period	<u>-</u>	<u>-</u>	<u>4,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,705</u>	<u>-</u>
At 30 June/31 December:								
Reportable segment assets	<u>165,200</u>	<u>165,682</u>	<u>124,274</u>	<u>133,373</u>	<u>4,364</u>	<u>6,993</u>	<u>293,838</u>	<u>306,048</u>
Reportable segment liabilities	<u>21,078</u>	<u>23,446</u>	<u>45,793</u>	<u>57,538</u>	<u>1,000</u>	<u>15</u>	<u>67,871</u>	<u>80,999</u>

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Unaudited Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Revenue		
Reportable segment revenue	<u>224,429</u>	<u>787</u>
Consolidated revenue	<u>224,429</u>	<u>787</u>

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Profit or loss		
Reportable segment profit/(loss)	29,726	(2,533)
Finance costs – net (<i>Note 4(a)</i>)	(2,925)	(65)
Share of net profit of an associate accounted for using the equity method	–	2,225
Reversal of impairment on investment accounted for using the equity method	–	9,179
Unallocated depreciation and amortisation	(1,104)	(3,626)
Unallocated operating income and expenses	(15,037)	(19,268)
Profit/(loss) before income tax	10,660	(14,088)
	Unaudited	Audited
	At 30 June	At 31 December
	2025	2024
	RMB'000	RMB'000
Assets		
Reportable segment assets	293,838	306,048
Deferred income tax assets	6,011	5,537
Unallocated head office and corporate assets	94,956	108,782
Investment properties	455,900	455,900
Consolidated total assets	850,705	876,267
Liabilities		
Reportable segment liabilities	67,871	80,999
Deferred income tax liabilities	82,715	82,802
Unallocated head office and corporate liabilities	117,067	135,279
Consolidated total liabilities	267,653	299,080

(c) Revenue by geographical locations

Revenue from external customers by economic environments is analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
United States of America	180,295	—
South East Asia	31,664	—
Europe	10,637	—
Mainland China	1,612	315
Hong Kong	221	472
	<u>224,429</u>	<u>787</u>

3 OTHER GAINS – NET

	Unaudited	
	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange gain	582	262
Gain on disposal of property, plant and equipment and right-of-use assets	1,004	938
	<u>1,586</u>	<u>1,200</u>

4 PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging/(crediting) the following:

(a) Finance costs – net

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income from bank deposits	<u>(45)</u>	<u>(503)</u>
Interest on loans from a director	740	563
Interest on bank borrowings	1,860	–
Interest expenses on lease liabilities	216	–
Other finance charges	<u>154</u>	<u>5</u>
	<u>2,970</u>	<u>568</u>
Finance costs – net	<u>2,925</u>	<u>65</u>

(b) Other items

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Cost of sales	190,333	422
Depreciation on property, plant and equipment	9,432	5,384
Depreciation on right-of-use assets	3,529	286
Expenses relating to short-term leases	2,529	17
Reversal of impairment on financial assets	171	28
Legal and professional fee	1,015	1,138
Reversal of provision for impairment of inventories	–	(32)
Staff cost	<u>32,187</u>	<u>15,758</u>

5 INCOME TAX EXPENSES

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax		
Current corporate income tax	(4,659)	(864)
Deferred income tax		
Origination and reversal of temporary differences	<u>561</u>	<u>585</u>
	<u>(4,098)</u>	<u>(279)</u>

No provision has been made for Hong Kong profits tax as the Group did not earn income subject to Hong Kong profits tax during the six months ended 30 June 2025 and 2024.

The Group's subsidiaries established in the People's Republic of China ("PRC") are subject to a corporate income tax rate of 25%.

The Group's subsidiaries established in Vietnam are subject to a corporate income tax rate of 20%.

Pursuant to the relevant corporate income tax rules and regulations, withholding tax is imposed on dividends declared in respect of profits earned by the Company's PRC subsidiaries from 1 January 2008 onwards.

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

6 DIVIDENDS

(i) Dividends payable to owners of the Company attributable to the interim period

No dividend has been proposed by the Company after the end of the reporting period attributable to the periods ended 30 June 2025 and 2024.

(ii) Dividends payable to owners of the Company attributable to the previous financial year, approved and paid during the interim period

No dividend has been approved or paid by the Company after the end of the reporting period attributable to the previous financial year.

7 PROFIT/(LOSS) PER SHARE

The calculation of basic profit/(loss) per share is based on the profit/(loss) attributable to owners of the Company of RMB589,000 (2024: loss of RMB14,367,000) and the weighted average number of ordinary shares in issue during the current and the prior period as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
Profit/(loss) attributable to owners of the Company (<i>RMB'000</i>)	<u>589</u>	<u>(14,367)</u>
Weighted average number of ordinary shares in issue (<i>'000</i>)	<u>2,511,085</u>	<u>2,307,513</u>
Basic and diluted profit/(loss) per share (<i>RMB cents</i>)	<u>0.02</u>	<u>(0.62)</u>

For the six months ended 30 June 2025 and 2024, diluted profit/(loss) per share equals to basic profit/(loss) per share as there were no potential dilutive ordinary shares outstanding during the period.

8 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited	Audited
	At 30 June	At 31 December
	2025	2024
	RMB'000	RMB'000
Trade receivables	63,715	70,422
Less: Loss allowance	<u>(610)</u>	<u>(781)</u>
Trade receivables – net	63,105	69,641
Other receivables, deposits and prepayments	7,712	4,548
Less: Other receivables, deposits and prepayments (non-current)	<u>(701)</u>	<u>(981)</u>
Total trade and other receivables, deposits and prepayments (current)	<u>70,116</u>	<u>73,208</u>

The ageing analysis of the Group's trade receivables by invoice date is as follows:

	Unaudited At 30 June 2025 RMB'000	Audited At 31 December 2024 RMB'000
Up to 3 months	59,567	52,908
3 to 6 months	4,009	16,355
Over 6 months	<u>139</u>	<u>1,159</u>
	<u>63,715</u>	<u>70,422</u>

Credit terms granted by the Group to customers generally range from 30 to 120 days. The Group does not hold any collaterals from customer.

9 TRADE AND OTHER PAYABLES

	Unaudited At 30 June 2025 RMB'000	Audited At 31 December 2024 RMB'000
Trade payables	49,044	52,767
Accrued expenses and other payables	31,949	28,172
Contract liabilities	2,819	4,379
Deposits received	<u>1,593</u>	<u>412</u>
Trade and other payables	<u>85,405</u>	<u>85,730</u>

The ageing analysis of trade payables on invoice date is as follows:

	Unaudited At 30 June 2025 RMB'000	Audited At 31 December 2024 RMB'000
Less than 1 month	24,582	44,331
1 month to 3 months	24,462	8,182
More than 3 months	<u>—</u>	<u>254</u>
	<u>49,044</u>	<u>52,767</u>

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

OVERVIEW

During the period, the Group continued to implement its strategies to focus on costs control.

FINANCIAL REVIEW

The Group recorded a revenue of RMB224.43 million, representing a significant increase of RMB223.64 million as compared to RMB0.79 million for the corresponding period in 2024. Gross profit for the period increased from RMB0.37 million for the corresponding period in 2024 to RMB34.10 million. The gross profit margin dropped from 46.84% to 15.19%. The increase in revenue and gross profit in this financial period was due to the consolidation of financial results of VS Industry Vietnam Joint Stock Company (“**VS Vietnam**”) from 16 July 2024 upon completion of acquisition of 43.29% equity interest in VS Vietnam (“**Acquisition**”).

The Group’s operating expenses, composed of distribution costs and general and administrative expenses, decreased from RMB29.03 million to RMB23.57 million, representing a decrease of RMB5.46 million as compared to the corresponding period in 2024. The Group recorded a profit attributable to owners of the Company of RMB0.59 million as compared to a loss of RMB14.37 million in the corresponding period ended 30 June 2024.

Plastic injection and moulding business

The Group recorded a revenue of RMB82.98 million for this segment, representing a significant increase of RMB82.64 million as compared to RMB0.34 million for the corresponding period in 2024 due to the consolidation of financial results of VS Vietnam from 16 July 2024 upon completion of the Acquisition.

Assembling of electronic products business

This segment recorded a revenue of RMB140.35 million, representing a significant increase of RMB140.03 million from RMB0.32 million for the corresponding period in 2024 due to the consolidation of financial results of VS Vietnam from 16 July 2024 upon completion of the Acquisition.

Mould design and fabrication business

The mould design and fabrication segment recorded a revenue of RMB1.10 million, representing a significant increase of RMB0.97 million as compared to RMB0.13 million for the corresponding period in 2024 due to the consolidation of financial results of VS Vietnam from 16 July 2024 upon completion of the Acquisition.

Distribution costs

Distribution costs amounted to RMB3.03 million, representing a significant increase of RMB2.75 million as compared to RMB0.28 million in the corresponding period ended 30 June 2024. The increase in distribution costs was mainly due to the increase in commission.

General and administrative expenses

General and administrative expenses amounted to RMB20.54 million, representing a decrease of RMB8.21 million or 28.56% as compared to RMB28.75 million for the corresponding period in 2024. The decrease was primarily due to the decrease in employee termination benefits of RMB10.20 million during the period.

Other gains – net

During the period, the Group recorded other net gains of RMB1.59 million as compared to RMB1.20 million for the corresponding period in 2024, which comprised mainly net gain on disposal of property, plant and equipment and right-of-use assets of RMB1.01 million and net foreign exchange gain of RMB0.58 million.

Finance costs – net

The net finance costs for the period amounted to RMB2.93 million (2024: RMB0.07 million). The increase was mainly due to higher interest-bearing borrowings during the period.

Share of net profit of an associate accounted for using the equity method

The Group's share of net profit of an associate accounted for using the equity method of RMB2.23 million for the corresponding period in 2024 was solely attributed to profit recorded from its associate in Vietnam.

Reversal of impairment on investment accounted for using the equity method

During the corresponding period in 2024, VS Vietnam, an associate of the Company before completion of the Acquisition, recorded steady improvement of business performance. After considering the financial position of VS Vietnam and the likelihood of recovering the net investment in VS Vietnam as an associate, the management of the Group made a reversal of impairment of RMB9,179,000 against its carrying amount of this investment in associate.

Future prospects

The Group has begun operation expansion in Vietnam with the completion of acquisition of VS Vietnam. By managing cost control through industrial automation and increasing revenue with the addition of new customers, the Group aims to further improve its financial position. In addition, the Group continues to seek opportunities to lease out existing investment properties.

LIQUIDITY AND FINANCIAL RESOURCES

During the period, the Group financed its operations and investing activities mainly by means of internally generated operating cash flow, bank borrowings, loans from a director and lease liabilities. As at 30 June 2025, the Group had cash and cash equivalents and restricted bank balances of RMB64.14 million (31 December 2024: RMB66.83 million), of which RMB1.98 million (31 December 2024: RMB13.20 million) was pledged to banks for the facilities granted to the Group. 61.09%, 26.22% and 10.77% of cash and cash equivalents and restricted bank balances are denominated in United States dollars (“USD”), Renminbi (“RMB”) and Vietnamese Dong (“VND”), respectively.

As at 30 June 2025, the Group had outstanding interest-bearing borrowings including lease liabilities and loans from a director of RMB91.65 million (31 December 2024: RMB115.96 million). The total borrowings including lease liabilities and loans from a director were denominated in USD (63.39%), VND (24.59%), HK\$ (8.45%) and SGD (3.57%), and the maturity profile is as follows:

Repayable	As at 30 June 2025		As at 31 December 2024	
	RMB million (Unaudited)	%	RMB million (Audited)	%
Within one year	80.91	88.28	81.33	70.14
After one year but within two years	9.61	10.49	28.12	24.25
After two years but within five years	1.13	1.23	6.51	5.61
Total borrowings including lease liabilities and loans from a director	91.65	100.00	115.96	100.00
Cash and cash equivalents and restricted bank balances	(64.14)		(66.83)	
Net borrowings including lease liabilities and loans from a director	27.51		49.13	

As at 30 June 2025, the Group’s net current assets were RMB38.02 million (31 December 2024: RMB47.25 million).

The gearing ratio is calculated as the Group’s net borrowings at the end of the financial period divided by total capital at the end of the financial period. Net borrowings of the Group is calculated as its total borrowings including lease liabilities and loans from a director less cash and cash equivalents and restricted bank balances. Total capital is calculated as total equity attributable to owners of the Company plus net borrowings including lease liabilities and loans from a director. The gearing ratio of the Group was 5.11% as at 30 June 2025 (31 December 2024: 8.76%).

CHARGES ON GROUP ASSETS

As at 30 June 2025, the Group's secured banking facilities, including trade finance, overdrafts and bank loans, totaling RMB142.46 million (31 December 2024: RMB117.14 million) were secured by (i) restricted bank balances of the Group of RMB1.98 million (31 December 2024: RMB13.20 million); (ii) the building of the Group, net book value of which amounted to RMB45.50 million (31 December 2024: RMB46.76 million); (iii) property, plant and equipment and right-of-use assets (excluding land use rights) of the Group, net book value of which amounted to RMB52.66 million (31 December 2024: RMB46.76 million); and (iv) land use rights of the Group, net book value of which amounted to RMB2.70 million (31 December 2024: RMB2.78 million).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not conduct any significant investments, material acquisitions or disposals during the financial period. The Group has been streamlining its operation over the years with an aim to improve the Group's financial position by focusing on costs control and lower geared structure and higher liquidity. The Group will explore new market opportunities and expand its business portfolio, aiming to enrich its income streams and maintain steady business growth.

CONTINGENT LIABILITIES

The Group does not have any material contingent liabilities as at 30 June 2025.

FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign currency risks primarily through sales, purchases and borrowings that are denominated in currencies other than the functional currency of individual group entities. The currencies giving rise to the risk was primarily USD.

During the period, the Group has made net foreign exchange gain of RMB0.58 million (2024: RMB0.26 million) mainly due to the unrealised and realised foreign exchange gain.

As at 30 June 2025, if RMB had weakened/strengthened by 5% against USD, with all other variables held constant, post-tax profit for the period would have been approximately RMB201,000 lower/higher (2024: post-tax loss for the period would have been approximately RMB236,000 higher/lower), mainly as a result of foreign exchange gains/losses on translation of financial assets and liabilities denominated in currencies other than the functional currency of the respective group entities.

As at 30 June 2025, if RMB had weakened/strengthened by 5% against HK\$, with all other variables held constant, post-tax profit for the period would have been approximately RMB310,000 lower/higher (2024: post-tax loss for the period would have been approximately RMB412,000 higher/lower), mainly as a result of foreign exchange losses/gains on translation of financial assets and liabilities denominated in currencies other than the functional currency of the respective group entities.

At 30 June 2025, if RMB had weakened/strengthened by 5% against VND, with all other variables held constant, post-tax profit for the year would have been approximately RMB1,719,000 lower/higher (2024: nil), mainly as a result of foreign exchange losses/gains on translation of financial assets and liabilities denominated in currencies other than the functional currency of the respective group entities.

At 30 June 2025, if RMB had weakened/strengthened by 5% against SGD, with all other variables held constant, post-tax profit for the year would have been approximately RMB131,000 lower/higher (2024: nil), mainly as a result of foreign exchange losses/gains on translation of financial assets and liabilities denominated in currencies other than the functional currency of the respective group entities.

The Group will continue to monitor the Group's foreign currency risk exposure and to ensure that it is kept at an acceptable level.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had a total of 858 employees (31 December 2024: 1,033). During the period, the Group did not make significant change to the Group's remuneration policies. Human resources expenses of the Group (excluding Directors' remuneration but including employee termination benefits) for the period amounted to RMB29.33 million (2024: RMB12.94 million). The increase in human resources expenses was mainly due to the consolidation of financial results of VS Vietnam from 16 July 2024 upon completion of the Acquisition. The Group's remuneration package is updated on an annual basis and appropriate adjustments are made with reference to prevailing conditions of the human resources market and the general outlook of the economy. The Group's employees are rewarded in tandem with their performance and experience. The Group recognises that the improvement of employees' technical knowledge, welfare and wellbeing is essential to attract and retain quality and dedicated employees in support of future growth of the Group.

DIVIDENDS

The Board does not recommend any dividend payment for the six months ended 30 June 2025 (2024: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities. The Company did not hold any treasury shares during the six months ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's interim financial results for the six months ended 30 June 2025 and is of the opinion that such statements comply with the applicable accounting standards, the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and the requirements of applicable laws, codes and regulations and that adequate disclosure pursuant thereto have been made.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There were no other significant events affecting the Company nor any of its subsidiaries after the reporting period as at 30 June 2025 requiring disclosure in this interim results announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions ("**Code Provisions**") of the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Listing Rules throughout the six months except for the deviation from Code Provision C.2.1 in respect of segregation of the roles of chairman and chief executive officer.

According to Code Provision C.2.1 under the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Beh Kim Ling and Mr. Beh Chern Wei are the Chairman and the Managing Director of the Company respectively. Mr. Beh Kim Ling, in addition to his duties as the Chairman of the Company, is also responsible for the strategic planning and overseeing all aspects of the Group's operations. This constitutes a deviation from Code Provision C.2.1 as part of his duties overlap with those of the managing director, who is in practice the chief executive officer. As the founder of the Group, Mr. Beh Kim Ling has extensive experience and knowledge in the core business of the Group and his duties for overseeing the Group's operations is clearly beneficial to the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. Going forward, the Board will periodically review the effectiveness of this arrangement.

COMPLIANCE WITH APPENDIX C3 TO THE LISTING RULES

The Company has adopted a securities dealing code (“**SD Code**”) regarding the dealings of the Directors and members of the senior management of the Group in securities of the Company, on terms no less exacting than the required standard under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

The Company, having made specific enquiry on all Directors, is not aware of any non-compliance by any Director during the period with the SD Code and Appendix C3 to the Listing Rules throughout the six months period ended 30 June 2025.

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

Johor Bahru, Malaysia
22 August 2025

List of all Directors as at the date of this announcement:

Executive Directors:

Mr. Beh Kim Ling
Mr. Beh Chern Wei
Ms. Beh Hwee Sze

Independent non-executive Directors:

Mr. Tang Sim Cheow
Ms. Fu Xiao Nan
Mr. Wan Mohd Fadzmi