V.S. INTERNATIONAL GROUP LIMITED
威 鋮 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 profit warning announcement of the Company dated 2 March 2018.

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 net loss of not more than RMB10 million for the year ended 31 July 2018 as compared to the net profit of approximately RMB13.48 million for the year ended 31 July 2017.

The net loss of the Group for the year ended 31 July 2018 is mainly attributable to the following reasons:

(a) an increase in share of loss of an associate of not less than RMB5 million due to loss incurred by VS Industry Vietnam Joint Stock Company;

(b) a decrease of more than 10% in revenue; and

(c) 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.

As the Company is still in the process of finalising the consolidated annual results of the Group for the year ended 31 July 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 year ended 31 July 2018 may differ from the information contained in this announcement. Shareholders and potential investors should refer to the Group's annual results announcement for the year ended 31 July 2018, which is expected to be published by the end of September 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, 30 August 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