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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

HIGHLIGHTS

- Revenue increased by 90.97% to USD64.11 million;
- Profit for the year attributable to owners of the Company was USD0.40 million;
- Basic profit per share was 0.02 US dollar cent.

The board ("**Board**") of directors ("**Directors**") of V.S. International Group Limited ("**Company**") would like to announce the consolidated results of the Company and its subsidiaries (together, the **"Group"**) for the financial year ended 31 December 2025, prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), together with comparative figures for the seventeen months period ended 31 December 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
Revenue		**64,105**	33,566
Cost of sales		**(52,049)**	(28,727)
Gross profit		**12,056**	4,839
Other income	*3*	**459**	805
Other losses – net	*3*	**(1,037)**	(2,484)
Distribution costs		**(547)**	(621)
General and administrative expenses		**(6,551)**	(9,505)
Gain on bargain purchase		**–**	6,655
Reversal of/(provision for) impairment loss on financial assets		**31**	(1,868)
Operating profit/(loss)		**4,411**	(2,179)
Finance income		**15**	236
Finance costs		**(842)**	(739)
Finance costs – net	*4(a)*	**(827)**	(503)
Share of net profit of an associate accounted for using the equity method		**–**	575
Reversal of impairment on investment accounted for using the equity method		**–**	1,288
Profit/(loss) before income tax	*4*	**3,584**	(819)
Income tax expenses	*5*	**(1,110)**	(598)
Profit/(loss) for the year/period		**2,474**	(1,417)
Attributable to:			
Owners of the Company		**395**	(2,266)
Non-controlling interests		**2,079**	849
Profit/(loss) for the year/period		**2,474**	(1,417)
Profit/(loss) per share attributable to owners of the Company during the year/period (cents)			
Basic and diluted	*7*	**0.02**	(0.10)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	Note	**At 31 December 2025** *USD'000*	At 31 December 2024 *USD'000* (Restated)	At 1 August 2023 *USD'000* (Restated) *(note 1(a))*
ASSETS				
Non-current assets				
Property, plant and equipment		**19,586**	19,867	25,985
Right-of-use assets		**3,649**	6,255	1,832
Investment properties		**64,079**	63,422	–
Other receivables, deposits and prepayments	*8*	**534**	136	–
Deferred income tax assets		**834**	770	–
Financial asset at fair value through other comprehensive income		**–**	–	328
Investment accounted for using the equity method		**–**	–	1,604
		88,682	90,450	29,749
Current assets				
Inventories		**12,155**	11,969	1,130
Trade and other receivables, deposits and prepayments	*8*	**9,325**	10,184	3,678
Amounts due from related parties		**25**	–	133
Restricted bank balances		**282**	1,836	–
Cash and cash equivalents		**10,545**	7,461	11,985
		32,332	31,450	16,926
Total assets		**121,014**	121,900	46,675
EQUITY				
Capital and reserves				
Share capital		**16,126**	16,126	14,823
Share premium		**45,946**	45,946	45,425
Other reserves/(deficits)		**11,151**	9,008	(20,923)
Total equity attributable to owners of the Company		**73,223**	71,080	39,325
Non-controlling interests		**11,293**	9,214	–
Total equity		**84,516**	80,294	39,325

	Note	At 31 December 2025 USD'000	At 31 December 2024 USD'000 (Restated)	At 1 August 2023 USD'000 (Restated) (note 1(a))
LIABILITIES				
Non-current liabilities				
Loans from a director		**–**	2,549	–
Borrowings		**–**	647	–
Lease liabilities		**578**	1,622	–
Employee benefit obligations		**373**	393	–
Deferred income tax liabilities		**11,560**	11,519	129
		12,511	16,730	129
Current liabilities				
Trade and other payables	*9*	**14,217**	11,317	2,237
Contract liabilities	*9*	**340**	609	–
Loans from a director		**2,221**	1,444	4,924
Borrowings		**5,237**	9,015	–
Lease liabilities		**516**	855	–
Amounts due to related parties		**65**	599	60
Tax payable		**1,391**	1,037	–
		23,987	24,876	7,221
Total liabilities		**36,498**	41,606	7,350
Total equity and liabilities		**121,014**	121,900	46,675

Notes:

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost basis, except for financial asset at fair value through other comprehensive income and investment properties, which is measured at fair value.

(a) Change in presentation currency

During the year, the Group has changed its presentation currency from Renminbi ("**RMB**") to USD for the preparation of its consolidated financial statements. Having considered the principal activities of the Group are mainly conducted in the Socialist Republic of Viet Nam ("**Vietnam**") and the principal activities of the group are operated by subsidiaries in Vietnam whose functional currency are denominated in USD, the directors of the Company considered that the change would result in a more appropriate presentation of the Group's transactions in these consolidated financial statements.

The change in presentation currency has been applied retrospectively. The comparative figures in these consolidated financial statements were translated from RMB to USD using the applicable closing rates for items in the consolidated statement of financial position and applicable average rates that are approximated to actual rates for items in the consolidated income statement and consolidated statement of comprehensive income.

(b) New standards, amendments to existing standards and interpretations adopted by the Group

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

Standards	**Subject of amendment**
HKAS 1 (Amendments)	Classification of Liabilities as Current or Noncurrent
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK Int 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The standard and amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(c) **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 31 December 2025 and have not been early adopted by the Group.

Standards	**New standards, amendments**	**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 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature dependent Electricity	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HK Int 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	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

The above new standards and amendments to existing standards do not expect to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new standards and amendments to existing standards and interpretation when they become effective.

2 SEGMENT REPORTING

The chief operating decision-maker ("**CODM**") has been identified as the most senior executive management of the Company. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM assesses the performance of single operating segment based on a measure of profit/loss adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs. The CODM assesses the performance of the following three reportable segments and regards them being the reportable segments. No operating segments have been aggregated to form the following reportable segments.

The segment categorisation for the year ended 31 December 2025 is different from the seventeen months period ended 31 December 2024. In order to align the segment review with the restructured internal management and reporting structure, the segment information of the comparative period has been restated to conform to the current year categorisation and presentation.

Manufacturing:	manufacturing, assembling and selling of plastic moulded products and electronic products, parts and components and moulds design
Property investments:	rental income generated from property investments recognsied as other income
Solar plant:	sales of electricity generated from operation and management of roof top solar plant to leasee of investment properties

Revenue for the year is primary generated from manufacturing, assembling and selling of plastic moulded products and electronic products, parts and components and moulds design and is recognised at a point in time.

The Group has a customer base which includes four (for the seventeen months period ended 31 December 2024: five) customers with whom transactions have individually exceeded 10% of the Group's aggregate revenue for the year ended 31 December 2025.

(a) Segment results, assets and liabilities

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

Segment assets include all tangible and current assets, deferred income tax assets, investments properties other than financial asset at fair value through other comprehensive income, investment accounted for using the equity method and other corporate assets. Segment liabilities include trade and other payables, contract liabilities, deferred income tax liabilities and tax payable attributable to the individual segments.

Revenue and other income are allocated to the reportable segments with reference to earnings generated by those segments. Expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments are allocated accordingly. 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", CODM 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 CODM for the purposes of resource allocation and assessment of segment performance for the year ended 31 December 2025 and for the seventeen months period ended 31 December 2024 is set out below.

	Manufacturing		Property investments		Solar plant		Consolidated	
	Year ended 31 December 2025	Seventeen months period ended 31 December 2024	**Year ended 31 December 2025**	Seventeen months period ended 31 December 2024	**Year ended 31 December 2025**	Seventeen months period ended 31 December 2024	**Year ended 31 December 2025**	Seventeen months period ended 31 December 2024
	USD'000	*USD'000* (Restated)	***USD'000***	*USD'000* (Restated)	***USD'000***	*USD'000* (Restated)	***USD'000***	*USD'000* (Restated)
Revenue from external customers	**64,105**	33,566	**–**	–	**–**	–	**64,105**	33,566
Other income from external customers	**–**	–	**376**	160	**381**	561	**757**	721
	64,105	33,566	**376**	160	**381**	561	**64,862**	34,287
Reportable segment result	**7,546**	2,650	**(1,496)**	(2,111)	**(6)**	(4,480)	**6,044**	(3,941)
Other segment information								
Depreciation and amortisation for the year/period	**4,208**	2,063	**–**	1,023	**171**	801	**4,319**	3,887
Impairment on property, plant and equipment	**–**	1,120	**–**	–	**–**	2,238	**–**	3,358
Impairment on right-of-use assets	**–**	181	**–**	–	**–**	–	**–**	181
(Reversal of)/provision for impairment of inventories	**(183)**	3	**–**	–	**–**	–	**(183)**	3
Addition to non-current assets during the year/period	**1,900**	1,210	**–**	–	**–**	–	**1,900**	1,210
As at 31 December								
Reportable segment assets	**53,884**	53,198	**64,161**	63,606	**1,662**	1,634	**119,707**	118,438
Reportable segment liabilities	**23,761**	28,907	**11,086**	10,913	**21**	23	**34,868**	39,843

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

	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
Income		
Reportable segment income	**64,862**	34,287
Consolidated income	**64,862**	34,287
Profit or loss		
Reportable segment profit/(loss)	**6,044**	(3,941)
Finance income	**15**	236
Finance costs	**(842)**	(739)
Share of net profit of an associate accounted for using the equity method	**–**	575
Reversal of impairment on investment accounted for using the equity method	**–**	1,288
Gain on bargain purchase	**–**	6,655
Fair value gain on step acquisition on investment accounted for using the equity method	**–**	319
Unallocated head office and corporate expenses	**(1,633)**	(5,212)
Consolidated profit/(loss) before income tax	**3,584**	(819)
Assets		
Reportable segment assets	**119,707**	118,438
Unallocated head office and corporate assets	**1,307**	3,462
Consolidated total assets	**121,014**	121,900
Liabilities		
Reportable segment liabilities	**34,868**	39,843
Unallocated head office and corporate liabilities	**1,630**	1,763
Consolidated total liabilities	**36,498**	41,606

(c) Revenue by geographical locations

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

	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
United States of America	**48,302**	22,494
South East Asia	**9,636**	3,747
Europe	**3,378**	1,907
Hong Kong	**2,179**	100
Mainland China	**610**	5,318
	64,105	33,566

3 OTHER INCOME AND OTHER LOSSES – NET

	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
Other income		
Sales of scrap materials	**7**	88
Government subsidy	**1**	2
Rental income (Note)	**376**	160
Sales of electricity	**381**	561
Sundry expenses	**(306)**	(6)
	459	805

Note:

It represents rental income generated from leasing of certain vacant land and buildings in Zhuhai, the PRC.

	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
Other losses - net		
Impairment on property, plant and equipment	**–**	(2,828)
Impairment on right-of-use assets	**–**	(72)
Net foreign exchange gains	**130**	113
Net (loss)/gain on disposal of property, plant and equipment and right-of-use assets	**(396)**	43
Net loss on property, plant and equipment written off	**–**	(59)
Fair value loss on revaluation of investment properties	**(771)**	
Fair value gain on step acquisition on investment accounted for using equity method	**–**	319
	(1,037)	(2,484)

4 PROFIT/(LOSS) BEFORE INCOME TAX

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

(a) Finance costs – net

	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
Finance income		
Bank interest income	**(15)**	(236)
Finance costs		
Interest on bank borrowings	**413**	300
Interest on loans from a director	**175**	304
Interest expenses on lease liabilities	**226**	124
	814	728
Other finance charges	**28**	11
	842	739
Finance costs – net	**827**	503

(b) Other items

	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
Auditors' remuneration		
– Audit services	**205**	292
– Non-audit services	**63**	409
Legal and professional fee	**448**	826
Cost of sales *(Note)*	**52,049**	28,727
(Reversal of)/provision for impairment loss on financial assets	**(31)**	1,868
Depreciation on property, plant and equipment	**3,040**	3,471
Depreciation on right-of-use assets	**1,339**	423
Expenses relating to short-term leases	**715**	370
(Reversal of)/provision for impairment of inventories	**(183)**	3
Staff costs	**11,499**	8,910

Note:

Cost of sales included staff costs, depreciation, provision for impairment of inventories and expenses relating to short-term leases, amounting to USD11,485,000 (for seventeen months period ended 31 December 2024: USD6,354,000) in aggregate, which are also included in the respective total amounts disclosed separately above for each type of the expenses. It also included impairment on certain property, plant and equipment, and right-of-use assets totaling USD639,000 for seventeen months period ended 31 December 2024.

5 INCOME TAX EXPENSES

	Year ended 31 December 2025 *USD'000*	Seventeen months period ended 31 December 2024 *USD'000* (Restated)
Current income tax		
Current PRC corporate income tax	**(2)**	(66)
Current Vietnam corporate income tax	**(1,365)**	(753)
	(1,367)	(819)
Deferred income tax		
Origination and reversal of temporary differences	**257**	221
	(1,110)	(598)

No provision has been made for Hong Kong profits tax as the Group did not earn income subject to Hong Kong profits tax for the year ended 31 December 2025 and for the seventeen months period ended 31 December 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 the 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 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

No dividend has been paid or declared by the Company for the year ended 31 December 2025 and for the seventeen months period ended 31 December 2024.

7 EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit for the year attributable to owners of the Company of USD395,000 (the loss for the seventeen months period ended 31 December 2024: USD2,266,000) and the weighted average number of ordinary shares in issue during the year/period as follows:

	Year ended 31 December 2025	Seventeen months period ended 31 December 2024 (Restated)
Profit/(loss) for the year/period attributable to owners of the Company *(USD' 000)*	**395**	(2,266)
Weighted average number of ordinary shares in issue *('000)*	**2,511,084**	2,373,375
Basic and diluted earnings/(loss) per share *(USD cents)*	**0.02**	(0.10)

For the year ended 31 December 2025 and the seventeen months period ended 31 December 2024, diluted earnings/(loss) per share equals to basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the year/period.

8 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At 31 December 2025 ***USD'000***	At 31 December 2024 *USD'000* (Restated)
Trade receivables	**8,186**	9,797
Less: Loss allowance	**(78)**	(109)
Trade receivables – net	**8,108**	9,688
Other receivables, deposits and prepayments	**1,749**	632
Less: non – current portion	**(534)**	(136)
Total trade and other receivables, deposits and prepayments (current)	**9,325**	10,184

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

	At 31 December 2025 *USD'000*	At 31 December 2024 *USD'000* (Restated)
Up to 3 months	**7,959**	7,361
3 to 6 months	**217**	2,275
Over 6 months	**10**	161
	8,186	9,797

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

9 TRADE AND OTHER PAYABLES

	At 31 December 2025 *USD'000*	At 31 December 2024 *USD'000* (Restated)
Trade payables	**8,517**	7,341
Accrued expenses and other payables *(Note(a))*	**5,485**	3,919
Contract liabilities *(Note(b))*	**340**	609
Deposit received	**215**	57
Trade and other payables	**14,557**	11,926

Notes:

(a) The accrued expenses and other payables primarily include accrued staff costs, accrued transportation costs, interest payables and value-added tax payables.

(b) Contract liabilities include receipts in advance from customers.

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

	At 31 December 2025 *USD'000*	At 31 December 2024 *USD'000* (Restated)
Less than 1 month	**3,465**	6,167
1 to 3 months	**5,052**	1,138
More than 3 months	**–**	36
	8,517	7,341

MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

OVERVIEW

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

FINANCIAL REVIEW

The Group recorded a revenue of USD64.11 million for the financial year ended 31 December 2025, representing an increase of USD30.54 million or 90.97% as compared to USD33.57 million for the seventeen months period ended 31 December 2024. In addition, the Group rented certain vacant land and buildings in Zhuhai, the PRC, and selling electricity to their leasee, which generated income amounted to USD0.38 million and USD0.38million, respectively, and recognised as "other income" for the financial year ended 31 December 2025 as compared to USD0.16 million and USD0.56 million, respectively for the seventeen months period ended 31 December 2024. Gross profit for the year increased from USD4.84 million for the seventeen months period ended 31 December 2024 to USD12.06 million for the financial year ended 31 December 2025. The gross profit margin increased from 14.42% to 18.81%. The increase in revenue and gross profit for the financial year ended 31 December 2025 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 USD10.13 million to USD7.10 million, representing a decrease of USD3.03 million as compared to the seventeen months period ended 31 December 2024. The Group recorded a profit attributable to owners of the Company of USD0.40 million for the financial year ended 31 December 2025 as compared to a loss of USD2.27 million for the seventeen months period ended 31 December 2024.

Manufacturing business

The Group recorded a revenue of USD64.11 million for this segment for the financial year ended 31 December 2025, representing an increase of USD30.54 million or 90.97% as compared to USD33.57 million for the seventeen months period ended 31 December 2024 due to the consolidation of financial results of VS Vietnam from 16 July 2024 upon completion of the Acquisition.

Property investments business

This segment recorded an income of USD0.38 million for the financial year ended 31 December 2025, representing an increase of USD0.22 million or 137.50% from USD0.16 million for the seventeen months period ended 31 December 2024.

Solar plant business

This segment recorded an income of USD0.38 million for the financial year ended 31 December 2025, representing a decrease of USD0.18 million or 32.14% as compared to USD0.56 million for the seventeen months period ended 31 December 2024.

Distribution costs

Distribution costs amounted to USD0.55 million for the financial year ended 31 December 2025, representing a decrease of USD0.07 million or 11.29% as compared to USD0.62 million for the seventeen months period ended 31 December 2024.

General and administrative expenses

General and administrative expenses amounted to USD6.55 million for the financial year ended 31 December 2025, representing a decrease of USD2.96 million or 31.13% as compared to USD9.51 million for the seventeen months period ended 31 December 2024. The decrease was primarily due to the decrease in employee termination benefits of USD1.47 million and legal and professional fee of USD0.38 million during the year.

Other losses – net

During the financial year ended 31 December 2025, the Group recorded other net losses of USD1.04 million as compared to USD2.48 million for the seventeen months period ended 31 December 2024, which comprised mainly net foreign exchange gains of USD0.13 million which were offset by a net loss on disposal of property, plant and equipment and right-of-use assets of USD0.40 million and a net losses from fair value adjustments of USD0.77 million.

Finance costs – net

The net finance costs for the financial year ended 31 December 2025 amounted to USD0.83 million (for the seventeen months period ended 31 December 2024: USD0.50 million). The increase was mainly due to higher finance income during the seventeen months period ended 31 December 2024.

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 USD0.58 million for the seventeen months period ended 31 December 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 seventeen months period ended 31 December 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 USD1,288,000 against its carrying amount of this investment in associate.

Gain on bargain purchase

During the seventeen months period ended 31 December 2024, the Group completed the Acquisition, the resulted gain on bargain purchase amounted to USD6,655,000 represents the difference between the fair value of the consideration paid to the seller and the net identifiable assets in VS Vietnam.

LIQUIDITY AND FINANCIAL RESOURCES

During the financial year ended 31 December 2025, 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 31 December 2025, the Group had cash and cash equivalents and restricted bank balances of USD10.83 million (2024: USD9.30 million), of which USD0.28 million (2024: 1.84 million) was pledged to banks for the facilities granted to the Group. 85.68%, 8.16% and 5.07% 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 31 December 2025, the Group had outstanding interest-bearing borrowings including lease liabilities and loans from a director of USD8.55 million (31 December 2024: USD16.13 million). The total borrowings including lease liabilities and loans from a director were denominated in USD (74.21%), VND (12.79%), HK$ (6.96%) and SGD (6.04%), and the maturity profile is as follows:

	As at 31 December 2025		As at 31 December 2024	
Repayable	***USD million***	*%*	*USD million*	*%*
Within one year	**7.97**	**93.22**	11.31	70.12
After one year but within two years	**0.58**	**6.78**	3.91	24.24
After two years but within five years	**–**	**–**	0.91	5.64
Total borrowings including lease liabilities and loans from a director	**8.55**	**100.00**	16.13	100.00
Cash and cash equivalents and restricted bank balances	**(10.83)**		(9.30)	
Net (cash and cash equivalents and restricted bank balances)/borrowings including lease liabilities and loans from a director	**(2.28)**		6.83	

As at 31 December 2025, the Group's net current assets were USD8.35 million (31 December 2024: USD6.57 million).

The gearing ratio is calculated as the Group's net borrowings at the end of the financial year divided by total capital at the end of the financial year. 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. Gearing ratio was not presented as the Group was at a net cash position as at 31 December 2025 (31 December 2024: 8.76%).

CAPITAL STRUCTURE

As at 31 December 2025, the Group's total equity attributable to owners of the Company was USD73.22 million (31 December 2024: USD71.08 million). Total assets of the Group amounted to USD121.01 million (31 December 2024: USD121.90 million), 19.20% (31 December 2024: 21.43%) of which comprised PPE and ROU.

CHARGES ON GROUP ASSETS

As at 31 December 2025, the Group's secured banking facilities, including trade finance, overdrafts and bank loans, totaling USD19.35 million (31 December 2024: USD16.30 million) were secured by (i) restricted bank balances of the Group of USD0.28 million (31 December 2024: USD1.84 million); (ii) the building of the Group, net book value of which amounted to USD6.04 million (31 December 2024: USD6.50 million); (iii) PPE of the Group, net book value of which amounted to USD3.09 million (31 December 2024: USD6.19 million); and (iv) land use rights of the Group, net book value of which amounted to USD0.37 million (31 December 2024: USD0.37 million).

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

On 30 December 2025, V.S. Holding Vietnam Limited, a direct wholly-owned subsidiary of the Company, exercised a call option as to 6,000,000 ordinary shares of VS Vietnam. For details of the exercise of the call option, please refer to the circular of the Company dated 30 January 2026. As at the date of this announcement, the further acquisition of 6,000,000 ordinary shares of VS Vietnam has yet to be completed.

Save as disclosed, the Group did not conduct any significant investments, material acquisitions or disposals during the financial year ended 31 December 2025. 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.

SIGNIFICANT INVESTMENTS HELD

During the financial year ended 31 December 2025, the Group did not hold any significant investment in equity interest in any other company.

CONTINGENT LIABILITIES

The Group does not have any material contingent liabilities as at 31 December 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 RMB.

During the financial year ended 31 December 2025, the Group has made net foreign exchange gain of USD0.13 million (for the seventeen months period ended 31 December 2024: USD0.11 million) mainly due to the unrealised and realised foreign exchange gain.

Most of the Group's sales transactions are denominated in USD, VND and RMB and certain payments of the Group were made in USD, VND and RMB. In view of fluctuations of the USD against the RMB and VND during the year, the Group was exposed to foreign currency risk primarily in respect of trade receivables and cash and cash equivalents denominated in RMB and VND.

At 31 December 2025, if USD had weakened/strengthened by 5% against RMB, with all other variables held constant, post-tax profit for the year would have been approximately USD48,000 higher/lower (as at 31 December 2024: post-tax loss for the year would have been approximately USD90,000 lower/higher), 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.

At 31 December 2025, if USD had weakened/strengthened by 5% against HK$, with all other variables held constant, post-tax profit for the year would have been approximately USD30,000 lower/higher (as at 31 December 2024: post-tax loss for the year would have been approximately USD42,000 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 31 December 2025, if USD had weakened/strengthened by 5% against VND, with all other variables held constant, post-tax profit for the year would have been approximately USD186,000 lower/higher (as at 31 December 2024: USD248,000 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 31 December 2025, if USD had weakened/strengthened by 5% against SGD, with all other variables held constant, post-tax profit for the year would have been approximately USD21,000 lower/higher (as at 31 December 2024: USD18,000 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.

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 31 December 2025, the Group had a total of 848 employees (31 December 2024: 1,033). During the financial year ended 31 December 2025, 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 financial year ended 31 December 2025 amounted to USD10.73 million (for the seventeen months period ended 31 December 2024: USD7.81 million). The decrease in human resources expenses was mainly due to the decrease in the employee termination benefits. 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 financial year ended 31 December 2025 (for the seventeen months period 31 December 2024: nil).

FUTURE PROSPECTS AND CHALLENGES

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 addition of new customers, the Group aims to further improve its financial position. In addition, the Group continues to seek opportunities to lease out its existing investment properties.

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

During the financial year ended 31 December 2025, 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 financial year ended 31 December 2025.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the Group's annual financial results for the year ended 31 December 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.

EVENTS AFTER THE REPORTING DATE

There were no other significant events affecting the Company nor any of its subsidiaries after the reporting date as at 31 December 2025 requiring disclosure in this 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 financial year ended 31 December 2025 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 year with the SD Code and Appendix C3 to the Listing Rules throughout the financial year ended 31 December 2025.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2025. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation and gratitude to the Company's shareholders, bankers, customers, suppliers, business associates and regulatory authorities for their confidence and continuous support to the Group. I also wish to take this opportunity to thank my fellow Directors, the management team, staff and employees for their full commitment, loyalty and dedication to the Group, which enabled us to overcome the challenges encountered during the year.

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

Nam Son Ward, Bac Ninh Province, Vietnam
24 March 2026

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