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)

Interim Report 2026

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Beh Kim Ling *(Chairman)*
Beh Chern Wei *(Managing Director)*
Beh Hwee Sze

Independent non-executive Directors

Tang Sim Cheow
Wan Mohd Fadzmi
Fu Xiao Nan

AUDIT COMMITTEE OF THE BOARD

Tang Sim Cheow *(Chairman of the Audit Committee)*
Wan Mohd Fadzmi
Fu Xiao Nan

REMUNERATION COMMITTEE OF THE BOARD

Fu Xiao Nan *(Chairman of the Remuneration Committee)*
Tang Sim Cheow
Beh Kim Ling

NOMINATION COMMITTEE OF THE BOARD

Wan Mohd Fadzmi *(Chairman of the Nomination Committee)*
Tang Sim Cheow
Beh Chern Wei
Fu Xiao Nan

COMPANY SECRETARY

Ng Ting On, Polly

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Jardine House
1 Connaught Place
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

LEGAL ADVISERS AS TO HONG KONG LAW

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central, Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered Public Interest Entity Auditor
22nd Floor, Prince's Building
Central, Hong Kong

PRINCIPAL BANKERS

United Overseas Bank (Vietnam) Limited, Hanoi Branch
Joint Stock Commercial Bank For Foreign Trade of Vietnam
Vietnam Technological and Commercial Joint Stock Bank
Malayan Banking Berhad Hong Kong Branch
Industrial & Commercial Bank of China Ltd.

SUBSIDIARIES

V.S. International Industry Limited
V.S. Holding Vietnam Limited
Energy Ally Global Limited
Vistra Corporate Services Centre
Wickhams Cay II, Road Town, Tortola
VG1110, British Virgin Islands

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VSA Holding Hong Kong Co., Limited
V.S. Industry Holding Limited
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V.S. Industry (Zhuhai) Co., Ltd.
Zhuhai Deyuan Energy Conservation Technology Company Limited
Beisha Village, Tangjia Wan Town
Xiangzhou District
519085 Zhuhai
Guangdong Province
The People's Republic of China
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VS Industry Vietnam Joint Stock Company
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Introduction

The board ("Board") of directors ("Directors") of V.S. International Group Limited ("Company") submits herewith the interim financial report of the Company and its subsidiaries (together, the "Group") for the six months ended 30 June 2026, which has been reviewed by the audit committee ("Audit Committee") of the Board.

Condensed Consolidated Income Statement

For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026 USD'000 Unaudited	2025 USD'000 (Restated) Unaudited
Revenue	4	34,826	31,267
Cost of sales		(27,290)	(26,517)
Gross profit		7,536	4,750
Other income – net	5	444	182
Other gains – net	5	57	221
Distribution costs		(219)	(422)
General and administrative expenses		(3,488)	(2,862)
(Provision for)/reversal of impairment on financial assets		(7)	24
Operating profit		4,323	1,893
Finance costs – net	6(a)	(168)	(408)
Profit before income tax	6	4,155	1,485
Income tax expenses	7(a)	(1,000)	(571)
Profit for the period		3,155	914
Attributable to:			
Owners of the Company		2,244	82
Non-controlling interests		911	832
Profit for the period		3,155	914
Profit per share attributable to owners of the Company during the period (cents)			
Basic and diluted	8	0.09	0.00

The notes on pages 12 to 37 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
Profit for the period	**3,155**	914
Other comprehensive income for the period		
Item that may be reclassified to profit or loss:		
Currency translation differences	**1,124**	240
Total comprehensive income for the period	**4,279**	1,154
Attributable to:		
Owners of the Company	**3,368**	322
Non-controlling interests	**911**	832
Total comprehensive income for the period	**4,279**	1,154

The notes on pages 12 to 37 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

At 30 June 2026

	Note	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	9(a)	19,908	19,586
Right-of-use assets	9(b)	3,026	3,649
Investment properties		66,129	64,079
Other receivables, deposits and prepayments	10	46	534
Deferred income tax assets	7(b)	960	834
		90,069	88,682
Current assets			
Inventories	11	15,563	12,155
Trade and other receivables, deposits and prepayments	10	9,868	9,325
Amount due from a related party	17(b)	81	25
Restricted bank balance	12	283	282
Cash and cash equivalents	13	11,505	10,545
		37,300	32,332
Total assets		127,369	121,014
EQUITY			
Capital and reserves			
Share capital	15	17,835	16,126
Share premium		48,338	45,946
Other reserves		14,599	11,151
Total equity attributable to owners of the Company		80,772	73,223
Non-controlling interests		8,023	11,293
Total equity		88,795	84,516

The notes on pages 12 to 37 are an integral part of these condensed consolidated interim financial information.

	Note	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
LIABILITIES			
Non-current liabilities			
Lease liabilities	9(b)	346	578
Employee benefit obligations		391	373
Deferred income tax liabilities	7(b)	11,896	11,560
		12,633	12,511
Current liabilities			
Trade and other payables	16	15,130	14,217
Contract liabilities	16	512	340
Loans from a director	17(d)	733	2,221
Borrowings	14	7,674	5,237
Lease liabilities	9(b)	586	516
Amounts due to related parties	17(c)	245	65
Tax payable		1,061	1,391
		25,941	23,987
Total liabilities		38,574	36,498
Total equity and liabilities		127,369	121,014

The notes on pages 12 to 37 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributed to owners of the Company									
	Share capital USD'000 (Restated)	Share premium USD'000 (Restated)	Capital reserves USD'000 (Restated)	Statutory reserve fund USD'000 (Restated)	Foreign currency translation reserve USD'000 (Restated)	Asset revaluation reserve USD'000 (Restated)	Accumulated losses USD'000 (Restated)	Total USD'000 (Restated)	Non-controlling interests USD'000 (Restated)	Total equity USD'000 (Restated)
At 1 January 2025	16,126	45,946	1,230	8,773	14,281	32,810	(48,086)	71,080	9,214	80,294
Comprehensive income										
Profit for the period	–	–	–	–	–	–	82	82	832	914
Other comprehensive income										
Currency translation differences	–	–	–	–	240	–	–	240	–	240
Total comprehensive income	–	–	–	–	240	–	82	322	832	1,154
At 30 June 2025	16,126	45,946	1,230	8,773	14,521	32,810	(48,004)	71,402	10,046	81,448

The notes on pages 12 to 37 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2026

	Attributed to owners of the Company									
	Share capital USD'000	Share premium USD'000	Capital reserves USD'000	Statutory reserve fund USD'000	Foreign currency translation reserve USD'000	Asset revaluation reserve USD'000	Accumulated losses USD'000	Total USD'000	Non-controlling interests USD'000	Total equity USD'000
At 1 January 2026	16,126	45,946	1,230	8,773	16,029	32,810	(47,691)	73,223	11,293	84,516
Comprehensive income										
Profit for the period	–	–	–	–	–	–	2,244	2,244	911	3,155
Currency translation differences	–	–	–	–	1,124	–	–	1,124	–	1,124
Total comprehensive income	–	–	–	–	1,124	–	2,244	3,368	911	4,279
Consideration shares issue	1,709	2,392	80	–	–	–	–	4,181	(4,181)	–
At 30 June 2026	17,835	48,338	1,310	8,773	17,153	32,810	(45,447)	80,772	8,023	88,795

The notes on pages 12 to 37 are an integral part of these condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2026

	Note	Six months ended 30 June 2026 USD'000 Unaudited	2025 USD'000 (Restated) Unaudited
Cash flows generated from operating activities			
Cash generated from operations		3,720	4,899
Income tax paid		(1,120)	(1,037)
Net cash generated from operating activities		2,600	3,862
Cash flows from investing activities			
Payments for the purchase of property, plant and equipment		(1,294)	(657)
Proceeds from disposal of property, plant and equipment and right-of-use assets		7	–
Interest received		2	6
Net cash used in investing activities		(1,285)	(651)
Cash flows from financing activities			
Drawdown/(repayment) of bank loans		2,437	(2,771)
Decrease in loans from a director		(1,488)	–
Lease payments		(162)	(516)
(Increase)/decrease in restricted bank balances		(1)	1,560
Borrowing costs paid		(169)	(415)
Net cash generated from/(used in) financing activities		617	(2,142)
Net increase in cash and cash equivalents		1,932	1,069
Cash and cash equivalents at 1 January		10,545	7,461
Effect of exchange rate changes on cash and cash equivalents		(972)	154
Cash and cash equivalents at 30 June	13	11,505	8,684

The notes on pages 12 to 37 are an integral part of these condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

V.S. International Group Limited (the "Company") and its subsidiaries (collectively, the "Group") are principally engaged in the manufacturing and sale of plastic moulded products and parts, assembling of electronic products, and mould design and fabrication. The Company was incorporated in the Cayman Islands on 9 July 2001 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). This condensed consolidated interim financial information is presented in United States Dollar ("USD"), unless otherwise stated.

This condensed consolidated interim financial information for the six months ended 30 June 2026 is unaudited and has been reviewed by the audit committee of the Company. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 24 August 2026.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated interim financial information for the six months ended 30 June 2026 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 2025, which were prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

During the year ended 31 December 2025, the Group has changed its presentation currency from Renminbi ("RMB") to United States Dollar ("USD") for the preparation of its consolidated financial statements. The change in presentation currency has been applied retrospectively. The comparative figures in this condensed consolidated interim financial information were translated from RMB to USD using the applicable closing rates for items in the condensed consolidated statement of financial position and applicable average rates that are approximated to actual rates for items in the condensed consolidated income statement and condensed consolidated statement of comprehensive income.

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 2025.

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 2025, except as mentioned below.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(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 2026:

Standards	Subject of amendment
Amendments to IFRS 9 and IFRS7	Classification and Measurement of Financial Instruments
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards — Volume 11
Amendments to IFRS 9 and IFRS7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS 7, IFRS 18, IAS 1, IAS 8, IAS36 and IAS 37	Disclosures about Uncertainties in the Financial Statements

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 reporting periods beginning on or after 1 January 2026 and have not been early adopted by the Group:

Standards	Subject of amendment	Effective for annual periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IFRS 10 and IAS 28	Subsidiaries without Public Accountability: Disclosures	To be determined

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

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

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.

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified: although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the consolidated statement of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following item might potentially impact operating profit: foreign exchange difference currently aggregated in the line item "administrative expenses" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for: management-defined performance measures; a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statement of comprehensive income – this break-down is only required for certain nature of expenses; and for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated statement of comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

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

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and therefore the comparative information for the financial year ending December 31, 2026 will be restated in accordance with HKFRS 18.

In addition to the abovementioned changes in presentation and disclosures, the Group is in the process of assessing the impact of adopting other new accounting standards and amendments to accounting standards and interpretation on its current or future reporting periods and on foreseeable future transactions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

There have been no changes in the risk management policies since 31 December 2025.

3.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The different levels for analysis of financial instruments carried at fair value, by valuation method are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)

- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

There was no transfer of financial assets and liabilities in the fair value hierarchy classifications for the six months ended 30 June 2026 and 2025.

4 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.

Manufacturing	:	manufacturing, assembling and selling of plastic moulded products and electronic products, parts and components and mould design
Property investments	:	rental income generated from property investments recognised as other income
Solar plant	:	sales of electricity generated from operation and management of rooftop solar plant to a local power grid company

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

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities

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, deferred income tax assets, investment properties other than other corporate assets. Segment liabilities include trade and other payables, borrowings, contract liabilities, deferred income tax liabilities and tax payable attributable to the individual segment.

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", 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.

4 SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (Continued)

	Manufacturing		Property investments		Solar plant		Consolidated	
	2026	2025	2026	2025	2026	2025	2026	2025
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
		(Restated)		(Restated)		(Restated)		(Restated)
Six months ended 30 June:								
Revenue from external customers	34,826	31,267	–	–	–	–	34,826	31,267
Other income from external customers	–	–	316	80	246	204	562	284
	34,826	31,267	316	80	246	204	35,388	31,551
Reportable segment result	5,215	3,118	(243)	(283)	7	(25)	4,979	2,810
Additions to non-current segment assets during the period	1,340	656	–	–	–	–	1,340	656
At 30 June/31 December:								
Reportable segment assets	59,260	53,884	66,340	64,161	1,475	1,662	127,075	119,707
Reportable segment liabilities	25,305	23,761	11,625	11,086	27	21	36,957	34,868

4 SEGMENT REPORTING (CONTINUED)

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

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
Revenue		
Reportable segment income	**35,388**	31,551
Consolidated income	**35,388**	31,551
Profit or loss		
Reportable segment profit	**4,979**	2,810
Finance costs – net (Note 6(a))	**(168)**	(408)
Unallocated head office and corporate expenses	**(656)**	(917)
Profit before income tax	**4,155**	1,485

	Unaudited	Audited
	At 30 June	At 31 December
	2026	2025
	USD'000	USD'000
Assets		
Reportable segment assets	**127,075**	119,707
Unallocated head office and corporate assets	**294**	1,307
Consolidated total assets	**127,369**	121,014
Liabilities		
Reportable segment liabilities	**36,957**	34,868
Unallocated head office and corporate liabilities	**1,617**	1,630
Consolidated total liabilities	**38,574**	36,498

4 SEGMENT REPORTING (CONTINUED)

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

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

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
United States of America	27,048	25,118
South East Asia	5,053	4,411
Europe	2,114	1,482
Mainland China	441	225
Hong Kong	170	31
	34,826	31,267

(ii) An analysis of the Group's carrying amount of segment non-current assets is analysed as follows:

	Unaudited	Audited
	At 30 June	At 31 December
	2026	2025
	USD'000	USD'000
Mainland China	67,496	65,504
Vietnam	22,573	23,178
	90,069	88,682

The Group's customer base is diversified but includes four (2025: four) customers with whom transactions have individually exceeded 10% of the Group's aggregate revenue for the six months ended 30 June 2026.

Those customers individually contributed 41%, 24%, 18% and 13% of the Group's revenue (2025: 42%, 23%, 21% and 14%), respectively.

5 OTHER INCOME AND OTHER GAINS – NET

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
Other Income – net		
Government subsidy	**–**	2
Rental income (Note)	**316**	80
Sales of electricity	**246**	204
Sundry income/(expenses) – net	**(118)**	(104)
	444	182

Note:

It represents rental income generated from leasing of certain vacant land and buildings in Zhuhai, the People's Republic of China ("PRC").

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
Other gains – net		
Net foreign exchange gains	**25**	81
Gain on disposal of property, plant and equipment and right-of-use assets	**32**	140
	57	221

6 PROFIT BEFORE INCOME TAX

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

(a) Finance costs – net

	Six months ended 30 June 2026 USD'000 Unaudited	2025 USD'000 (Restated) Unaudited
Interest income from bank deposits	(2)	(6)
Interest on loans from a director	20	103
Interest on bank borrowings	143	259
Interest expenses on lease liabilities	–	30
Other finance charges	7	22
	170	414
Finance costs – net	168	408

(b) Other items

	Six months ended 30 June 2026 USD'000 Unaudited	2025 USD'000 (Restated) Unaudited
Cost of sales	27,290	26,517
Depreciation on property, plant and equipment	1,429	1,314
Depreciation on right-of-use assets	258	492
Expenses relating to short-term leases	339	352
(Provision for)/reversal of impairment loss on financial assets	(7)	24
Legal and professional fee	89	141
Reversal of provision for impairment of inventories	(42)	–
Staff cost	6,118	5,359

7 INCOME TAX EXPENSES

(a) Income tax expenses

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
Current income tax		
Current corporate income tax	**(790)**	(605)
Deferred income tax		
Origination and reversal of temporary differences	**(210)**	34
	(1,000)	(571)

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 2026 and 2025.

The Group's subsidiaries established in the 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 or the British Virgin Islands.

7 INCOME TAX EXPENSES (CONTINUED)

(b) Deferred income tax assets/(liabilities)

Deferred income tax is recognised on temporary differences under the liability method using the prevailing taxation rate of the regions where the temporary differences are related to.

The movement in the deferred income tax account is as follows:

Deferred income tax liabilities – fair value revaluation of investment properties in the PRC and land and building of Vietnam subsidiaries

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
At beginning of the period	**(11,560)**	(11,519)
Charged to the income statement	**(336)**	(36)
At end of the period	**(11,896)**	(11,555)

Deferred income tax assets – provisions

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
At beginning of the period	**834**	770
Credited to the income statement	**126**	70
At end of the period	**960**	840

8 PROFIT PER SHARE

The calculation of basic profit per share is based on the profit attributable to owners of the Company of USD2,244,000 (2025: USD82,000) and the weighted average number of ordinary shares in issue during the current and the prior period as follows:

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
Profit attributable to owners of the Company (*USD'000*)	**2,244**	82
Weighted average number of ordinary shares in issue (*'000*)	**2,615,210**	2,511,085
Basic and diluted profit per share (*USD cents*)	**0.09**	0.00

For the six months ended 30 June 2026 and 2025, diluted profit per share equals to basic profit per share as there were no potential dilutive ordinary shares outstanding during the period.

9 PROPERTY, PLANT AND EQUIPMENT AND LEASES

(a) Property, plant and equipment

	Property, plant and equipment USD'000
Cost	
Opening balance at 1 January 2025	70,837
Additions	1,900
Disposals	(9,345)
Transfer from right-of-use assets	2,314
Written off	(250)
Exchange difference	1,070
At 31 December 2025	66,526
Accumulated depreciation and amortisation	
Opening balance at 1 January 2025	50,970
Charge for the year	3,040
Disposals	(8,905)
Transfer from right-of-use	1,047
Written off	(250)
Exchange difference	1,038
At 31 December 2025	46,940
Net book value	
At 31 December 2025 (Audited)	19,586
At 1 January 2025 (Audited)	19,867
Cost	
Opening balance at 1 January 2026	66,526
Additions	1,340
Disposals	(51)
Transfer from right-of-use	687
Exchange difference	1,477
At 30 June 2026	69,979

9 PROPERTY, PLANT AND EQUIPMENT AND LEASES (CONTINUED)

(a) Property, plant and equipment (Continued)

	Property, plant and equipment USD'000
Accumulated depreciation and amortisation	
Opening balance at 1 January 2026	46,940
Charge for the period	1,429
Disposals	(51)
Transfer from right-of-use	322
Exchange difference	1,431
At 30 June 2026	50,071
Net book value	
At 30 June 2026 (Unaudited)	19,908
At 31 December 2025 (Audited)	19,586

9 PROPERTY, PLANT AND EQUIPMENT AND LEASES (CONTINUED)

(b) Right-of-use assets and lease liabilities

(i) Amounts recognised in the condensed consolidated interim statement of financial position

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Right-of-use assets		
Land use rights	2,672	2,700
Machineries	354	949
	3,026	3,649
Lease liabilities		
Current	586	516
Non-current	346	578
	932	1,094

There were no additions to the right-of-use assets during the six months ended 30 June 2026.

9 PROPERTY, PLANT AND EQUIPMENT AND LEASES (CONTINUED)

(b) Right-of-use assets and lease liabilities (Continued)

(ii) Amounts recognised in the condensed consolidated income statement

The condensed consolidated income statement shows the following amounts relating to leases:

		Six months ended 30 June	
		2026	2025
	Note	**USD'000**	USD'000
			(Restated)
		Unaudited	Unaudited
Depreciation of right-of-use assets	6(b)	**258**	492
Expenses related to short-term leases	6(b)	**339**	352
		597	844

The total cash outflow for leases for the six months ended 30 June 2026 was USD501,000 (2025: USD868,000).

As at 30 June 2026 and 31 December 2025, certain right-of-use assets and property, plant and equipment have been pledged as security for its trade finances, overdraft and bank loans (note 14).

10 TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Trade receivables	8,930	8,186
Less: Loss allowance	(85)	(78)
Trade receivables – net	8,845	8,108
Other receivables, deposits and prepayments	1,069	1,751
Less: non-current portion	(46)	(534)
Total trade and other receivables, deposits and prepayments (current)	9,868	9,325

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

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Up to 3 months	8,493	7,959
3 to 6 months	320	217
Over 6 months	117	10
	8,930	8,186

Credit terms granted by the Group to customers generally range from 30 to 120 days.

The Group does not hold any collaterals from customers.

11 INVENTORIES

Inventories comprise:

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Raw materials	**10,972**	5,694
Work-in-progress	**1,512**	1,395
Finished goods	**3,116**	5,145
Inventories – gross	**15,600**	12,234
Provision for impairment	**(37)**	(79)
Inventories – net	**15,563**	12,155

12 RESTRICTED BANK BALANCE

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Pledged deposits with banks (Note)	**283**	282

Note:

The deposits of USD283,000 (31 December 2025: USD282,000) are pledged to bank as security for certain banking facilities, including trade finances, overdrafts and bank loans.

13 CASH AND CASH EQUIVALENTS

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Cash at banks and on hand	11,505	10,545

14 BORROWINGS

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Current		
Portion of bank borrowings repayable within one year, secured	7,674	5,237

Certain banking facilities are secured by the following assets of the Group:

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Bank deposits	283	282
Property, plant and equipment	10,257	9,129
Right-of-use assets	359	368
	10,899	9,779

15 SHARE CAPITAL

Authorised and issued share capital

	Unaudited		Audited	
	At 30 June 2026		At 31 December 2025	
	Number of shares	Amount	Number of shares	Amount
	'000	'000	'000	'000
Authorised:				
Ordinary shares of HK$0.05 each	4,000,000	200,000	4,000,000	200,000
Issued and fully paid: (USD'000)				
At 1 January 2025 and 2026	2,511,084	16,126	2,511,084	16,126
Consideration issue	267,750	1,709	–	–
At 31 December 2025 and 30 June 2026	2,778,834	17,835	2,511,084	16,126

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

16 TRADE AND OTHER PAYABLES

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Trade payables	9,720	8,517
Accrued expenses and other payables	5,166	5,485
Contract liabilities	512	340
Deposits received	244	215
Trade and other payables	15,642	14,557

Note:

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

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Less than 1 month	6,095	3,465
1 to 3 months	3,625	5,052
	9,720	8,517

17 SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company is ultimately owned by V.S. Industry Berhad, a company incorporated in Malaysia with limited liability, the shares of which are listed on the Main Market of Bursa Malaysia Securities Berhad.

(a) During the six months ended 30 June 2026, the Group entered into the following significant related party transactions:

	Six months ended 30 June	
	2026	2025
	USD'000	USD'000
		(Restated)
	Unaudited	Unaudited
Sales of goods to a company controlled by the family member of a director	**–**	27
Commission paid and payable to B&E Holding Limited	**180**	–
Repair and maintenance services fee paid and payable to a company controlled by a family member of a director	**–**	9

The transactions described above are entered into at terms and prices mutually agreed between the relevant parties.

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Amount due from a related party was detailed as follows:

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Amount due from a company controlled by a director	81	25

Amount due from a related party is interest-free, unsecured and repayable on demand.

(c) Amounts due to related parties were detailed as follows:

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
Amounts due to a company controlled by a family member of a director	180	37
Amounts due to directors	65	28
	245	65

The amounts due to related parties are interest-free, unsecured and repayable on demand.

17 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Loans from a director

Loans from a director were unsecured, interest-bearing at 3.50% per annum and repayable on 30 June 2027. The carrying amounts of the loans from a director approximated their fair values and were denominated in USD, HK$ and SGD.

	Unaudited At 30 June 2026 USD'000	Audited At 31 December 2025 USD'000
USD	–	1,110
HK$	733	595
SGD	–	516
	733	2,221

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 USD34.83 million, representing an increase of USD3.56 million as compared to USD31.27 million for the corresponding period in 2025. In addition, the Group rented certain vacant land and buildings in Zhuhai, the PRC, and sold electricity to a local power grid company, which generated income of USD0.32 million and USD0.25 million, respectively, and recognised as "other income" as compared to USD0.08 million and USD0.20 million, respectively for the corresponding period in 2025. Gross profit for the period increased from USD4.75 million for the corresponding period in 2025 to USD7.54 million. The gross profit margin increased from 15.19% to 21.65%.

The Group's operating expenses, composed of distribution costs and general and administrative expenses, increased from USD3.28 million to USD3.71 million, representing an increase of USD0.43 million as compared to the corresponding period in 2025. The Group recorded a profit attributable to owners of the Company of USD2.24 million as compared to USD0.08 million in the corresponding period ended 30 June 2025.

Manufacturing business

The Group recorded a revenue of USD34.83 million for this segment, representing an increase of USD3.56 million as compared to USD31.27 million for the corresponding period in 2025 due to the increase in the sales orders from existing customers.

Property investments business

This segment recorded an income of USD0.32 million, representing an increase of USD0.24 million or 300.00% from USD0.08 million for the corresponding period in 2025.

Solar plant business

This segment recorded an income of USD0.25 million, representing an increase of USD0.05 million or 25.00% as compared to USD0.20 million for the corresponding period in 2025.

Distribution costs

Distribution costs amounted to USD0.22 million, representing a decrease of USD0.20 million as compared to USD0.42 million for the corresponding period ended 30 June 2025. The decrease in distribution costs was mainly due to the decrease in commission.

General and administrative expenses

General and administrative expenses amounted to USD3.49 million, representing an increase of USD0.63 million or 22.03% as compared to USD2.86 million for the corresponding period in 2025. The increase was primarily due to the increase in research and development fees of USD0.25 million during the period.

Other gains – net

During the period, the Group recorded other net gains of USD0.06 million as compared to USD0.22 million for the corresponding period in 2025, which comprised mainly net gain on disposal of property, plant and equipment and right-of-use assets of USD0.03 million and net foreign exchange gain of USD0.03 million.

Finance costs – net

The net finance costs for the period amounted to USD0.17 million (2025: USD0.41 million). The decrease was mainly due to lower interest-bearing borrowings during the period.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (2025: nil).

Future Prospects

Since the completion of acquisition of VS Industry Vietnam Joint Stock Company ("VS Vietnam"), the Group has continuously expanded its operations. 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.

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 2026, the Group had cash and cash equivalents and restricted bank balances of USD11.79 million (31 December 2025: USD10.83 million), of which USD0.28 million (31 December 2025: USD0.28 million) was pledged to banks for the facilities granted to the Group. 89.34%, 7.96% and 2.42% of cash and cash equivalents and restricted bank balances are denominated in United States dollars ("USD"), Vietnamese Dong ("VND") and Renminbi ("RMB"), respectively.

As at 30 June 2026, the Group had outstanding interest-bearing borrowings including lease liabilities and loans from a director of USD9.34 million (31 December 2025: USD8.55 million). The total borrowings including lease liabilities and loans from a director were denominated in USD (82.17%), VND (9.98%) and HK$ (7.85%) and the maturity profile is as follows:

	As at 30 June 2026		As at 31 December 2025	
Repayable	**USD million (Unaudited)**	**%**	USD million (Audited)	%
Within one year	**8.99**	**96.25**	7.97	93.22
After one year but within two years	**0.35**	**3.75**	0.58	6.78
Total borrowings including lease liabilities and loans from a director	**9.34**	**100.00**	8.55	100.00
Cash and cash equivalents and restricted bank balances	**(11.79)**		(10.83)	
Net cash and cash equivalents and restricted bank balances	**(2.45)**		(2.28)	

As at 30 June 2026, the Group's net current assets were USD11.36 million (31 December 2025: USD8.35 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 are 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 30 June 2026 and 31 December 2025.

CHARGES ON GROUP ASSETS

As at 30 June 2026, the Group's secured banking facilities, including trade finance, overdrafts and bank loans, totalling USD18.30 million (31 December 2025: USD19.35 million) were secured by (i) restricted bank balances of the Group of USD0.28 million (31 December 2025: USD0.28 million); (ii) the building of the Group, net book value of which amounted to USD5.91 million (31 December 2025: USD6.04 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 USD4.35 million (31 December 2025: USD3.09 million); and (iv) land use rights of the Group, net book value of which amounted to USD0.36 million (31 December 2025: 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. On 22 April 2026, the acquisition of 6,000,000 ordinary shares of VS Vietnam was completed.

Save as disclosed, the Group did not conduct any significant investments, material acquisitions or disposals during the 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 2026.

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 were primarily RMB and VND.

During the period, the Group has made net foreign exchange gain of USD0.03 million (2025: USD0.08 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 period, the Group was exposed to foreign currency risk primarily in respect of trade receivables and cash and cash equivalents denominated in RMB and VND.

FOREIGN EXCHANGE EXPOSURE (CONTINUED)

As at 30 June 2026, if USD had weakened/strengthened by 5% against RMB, with all other variables held constant, post-tax profit for the period would have been approximately USD10,000 higher/lower (2025: USD93,000 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 2026, if USD had weakened/strengthened by 5% against HK$, with all other variables held constant, post-tax profit for the period would have been approximately USD37,000 lower/higher (2025: USD43,000 lower/higher), 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.

As at 30 June 2026, if USD had weakened/strengthened by 5% against VND, with all other variables held constant, post-tax profit for the period would have been approximately USD161,000 lower/higher (2025: USD233,000 lower/higher), 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 2026, the Group had a total of 1,047 employees (31 December 2025: 848). 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 USD5.75 million (2025: USD4.96 million). The increase in human resources expenses was mainly due to the increase in the number of employees during the period. 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 the future growth of the Group.

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 2026.

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 2026 requiring disclosure in this interim report.

AUDIT COMMITTEE

The Audit Committee has reviewed the Group's interim financial results for the six months ended 30 June 2026 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.

DIRECTOR'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares ("Shares"), underlying shares and debentures of the Company and its associated corporations (as defined in Part XV of the Securities and Futures Ordinance ("SFO")) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules ("Model Code"), to be notified to the Company and the Stock Exchange were as follows:

DIRECTOR'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

Name of Director (Note 1)	The Company/name of associated corporation	Capacity	Number and class of securities (Note 2)	Approximate percentage of interest
Beh Kim Ling	The Company	Beneficial owner	203,404,532 Shares (L)	7.32%
	V.S. Corporation (Hong Kong) Co., Limited ("VSHK")	Beneficial owner	3,750,000 non-voting deferred shares of HK$1 each (L)	5.00%
	V.S. Industry Berhad ("VS Berhad")	Beneficial owner	121,353,572 ordinary shares (L) (Note 3)	3.15%
Beh Chern Wei	The Company	Beneficial owner	41,111,960 Shares (L)	1.48%
	VSHK	Beneficial owner	1,250,000 non-voting deferred shares of HK$1 each (L)	1.67%
	VS Berhad	Beneficial owner	58,231,000 ordinary shares (L)	1.51%
Beh Hwee Sze	The Company	Beneficial owner	30,206,960 Shares (L)	1.09%
	VSHK	Beneficial owner	1,250,000 non-voting deferred shares of HK$1 each (L)	1.67%
	VS Berhad	Beneficial owner	152,425,692 ordinary shares (L) (Note 4)	3.95%
Tang Sim Cheow	The Company	Beneficial owner	639,130 Shares (L)	0.02%

Notes:

1. Mr. Beh Kim Ling is the father of Mr. Beh Chern Wei and Ms. Beh Hwee Sze.

2. The letter "L" represents the Director's long position interest in the shares and underlying shares of the Company or its associated corporations.

3. 29,662,688 of these shares would be allotted and issued upon exercise in full of the warrants granted by VS Berhad at an initial exercise price of RM1.13 per share (subject to adjustments) during a period of two years from 6 September 2024 to 5 September 2026.

4. 12,346,541 of these shares would be allotted and issued upon exercise in full of the warrants granted by VS Berhad at an initial exercise price of RM1.13 per share (subject to adjustments) during a period of two years from 6 September 2024 to 5 September 2026.

DIRECTOR'S INTEREST IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (CONTINUED)

Save as disclosed above, none of the Directors and chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the six months ended 30 June 2026 was the Company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the related party transactions as disclosed in note 17 to the interim financial information of the Group, no contract of significance to which the Company, any of its subsidiaries or fellow subsidiaries was a party, in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the period under review or at any time during the period under review.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2026, the following persons or entities, other than a Director or chief executive of the Company, had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Number of Shares (Note 1)	Nature of interest/capacity	Approximate percentage of Interest
VS Berhad	845,344,130 (L)	Beneficial owner	30.42%
B&E Holding Limited	471,321,429 (L)	Beneficial owner	16.96%
Beh Kim Siea	471,321,429 (L)	Interest in controlled corporation (Note 2)	16.96%
Lui Chong Huat	185,437,833 (L)	Beneficial owner	6.67%
Wan Poh Ping	185,437,833 (L)	Interest of spouse (Note 3)	6.67%
Wu Jeff Jan-Yuan	30,206,960 (L)	Interest of spouse (Note 4)	1.09%

Notes:

1. The letter "L" represents the shareholder's long position interest in the shares of the Company.

2. B&E Holding Limited is wholly-owned by Mr. Beh Kim Siea. Under the SFO, Mr. Beh Kim Siea is deemed to be interested in all the shares of the Company in which B&E Holding Limited is interested.

3. Ms. Wan Poh Ping is the spouse of Mr. Lui Chong Huat. Under the SFO, Ms. Wan Poh Ping is deemed to be interested in all the shares of the Company in which Mr. Lui Chong Huat is interested.

4. Mr. Wu Jeff Jan-Yuan is the spouse of Ms. Beh Hwee Sze. Under the SFO, Mr. Wu Jeff Jan-Yuan is deemed to be interested in all the shares of the Company in which Ms. Beh Hwee Sze is interested.

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 2026.

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

Johor Bahru, Malaysia
24 August 2026