V.S. Industry Berhad

(Registration No. 198201008437 (88160-P))
(Incorporated in Malaysia)

Interim Financial Report
30 April 2026

V.S. Industry Berhad

(Registration No. 198201008437 (88160-P))
(Incorporated in Malaysia)

Condensed consolidated statement of financial position
As at 30 April 2026 – unaudited

	30.04.2026 RM'000	31.07.2025 RM'000
Assets		
Property, plant and equipment	950,713	912,544
Right-of-use assets	91,444	95,521
Investments properties	29,399	31,444
Investments in associates	99,189	102,015
Other investments	44,538	40,769
Prepayments	52,053	86,582
Deferred tax assets	1,702	1,702
Total non-current assets	1,269,038	1,270,577
Inventories	481,336	448,597
Contract assets	104,858	123,335
Trade and other receivables	806,522	1,003,713
Current tax assets	7,559	20,456
Other investments	147	144
Cash and cash equivalents	706,293	858,723
Total current assets	2,106,715	2,454,968
Total assets	3,375,753	3,725,545
Equity		
Share capital	946,335	946,335
Reserves	1,097,661	1,206,777
Equity attributable to owners of the Company	2,043,996	2,153,112
Non-controlling interests	(2,790)	(1,700)
Total equity	2,041,206	2,151,412
Liabilities		
Loans and borrowings	314,274	332,908
Lease liabilities	47,201	49,812
Trade and other payables	6,247	6,320
Deferred tax liabilities	23,011	35,197
Total non-current liabilities	390,733	424,237
Loans and borrowings	197,273	454,254
Lease liabilities	285	301
Trade and other payables	733,897	690,799
Contract liabilities	669	188
Current tax liabilities	11,690	4,354
Total current liabilities	943,814	1,149,896
Total liabilities	1,334,547	1,574,133
Total equity and liabilities	3,375,753	3,725,545
Net assets per share (RM)	0.53	0.56

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Condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 April 2026 - unaudited

	Individual 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	804,009	909,415	2,652,132	2,929,043
Cost of sales	(812,582)	(838,555)	(2,566,987)	(2,697,864)
Gross (loss)/ profit	(8,573)	70,860	85,145	231,179
Operating expenses	(33,093)	(33,447)	(105,563)	(114,129)
Net other income/(expenses)	7,417	3,054	10,626	4,249
Results from operating activities	(34,249)	40,467	(9,792)	121,299
Finance income	4,434	5,898	14,972	17,569
Finance costs	(6,629)	(10,661)	(21,399)	(31,834)
Share of profit/(loss) of associate, net of tax	1,059	(154)	1,608	(1,464)
(Loss)/ Profit before tax	(35,385)	35,550	(14,611)	105,570
Tax expense	1,978	(12,132)	(18,386)	(38,158)
(Loss)/ Profit for the period	(33,407)	23,418	(32,997)	67,412
Other comprehensive (loss)/ income, net of tax				
Foreign currency translation differences for foreign operations	4,717	(27,267)	(58,773)	(37,957)
Net change in fair value of equity instrument designated at fair value through other comprehensive income	(14,628)	(21,267)	7,658	(38,893)
Total comprehensive (loss)/ income for the period	(43,318)	(25,116)	(84,112)	(9,438)

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Condensed consolidated statement of profit or loss and other comprehensive income for the period ended 30 April 2026 – unaudited (Cont'd)

	Individual 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(Loss)/ Profit attributable to:				
Owners of the Company	(32,910)	23,768	(31,868)	69,749
Non-controlling interests	(497)	(350)	(1,129)	(2,337)
	(33,407)	23,418	(32,997)	67,412
Total comprehensive (loss)/ income attributable to:				
Owners of the Company	(42,816)	(24,794)	(83,022)	(7,177)
Non-controlling interests	(502)	(322)	(1,090)	(2,261)
Total comprehensive (loss)/ income for the period	(43,318)	(25,116)	(84,112)	(9,438)
Basic (loss)/ earnings per ordinary share (sen)	(0.85)	0.62	(0.83)	1.80
Diluted earnings per ordinary share (sen)	anti-dilutive	0.62	anti-dilutive	1.80

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Condensed consolidated statement of changes in equity for the period ended 30 April 2026 - unaudited

	Share capital RM'000	*Non-distributable* Reserve RM'000	*Distributable* Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 August 2025	946,335	(54,942)	1,261,719	2,153,112	(1,700)	2,151,412
Foreign currency translation differences for foreign operations	--	(58,812)	--	(58,812)	39	(58,773)
Net change in fair value of equity instrument designated at FVOCI	--	7,658	--	7,658	--	7,658
Profit for the period	--	--	(31,868)	(31,868)	(1,129)	(32,997)
Total comprehensive income for the period	--	(51,154)	(31,868)	(83,022)	(1,090)	(84,112)
Share buyback	--	(10,676)	--	(10,676)	--	(10,676)
Dividends to shareholders	--	--	(15,418)	(15,418)	--	(15,418)
Total transactions with owners of the Group	--	(10,676)	(15,418)	(26,094)	--	(26,094)
At 30 April 2026	946,335	(116,772)	1,214,433	2,043,996	(2,790)	2,041,206

	Share capital RM'000	*Non-distributable* Reserve RM'000	*Distributable* Retained Profits RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 August 2024	933,644	37,122	1,322,306	2,293,072	(423)	2,292,649
Foreign currency translation differences for foreign operations	--	(38,033)	--	(38,033)	76	(37,957)
Net change in fair value of equity instrument designated at FVOCI	--	(38,893)	--	(38,893)	--	(38,893)
Transfer upon disposal of equity instrument designated at FVOCI	--	9,649	(9,649)	--	--	--
Profit for the period	--	--	69,749	69,749	(2,337)	67,412
Total comprehensive income for the period	--	(67,277)	60,100	(7,177)	(2,261)	(9,438)
Share buyback	--	(31,475)	--	(31,475)	--	(31,475)
Equity settled share-based transactions	10,322	893	--	11,215	--	11,215
Conversion of Warrants	494	--	--	494	--	494
Dividends to shareholders	--	--	(77,332)	(77,332)	--	(77,332)
Change in ownership interest in subsidiary	--	--	(693)	(693)	2,393	1,700
Total transactions with owners of the Group	10,816	(30,582)	(78,025)	(97,791)	2,393	(95,398)
Realisation of revaluation reserve	--	(58)	58	--	--	--
At 30 April 2025	944,460	(60,795)	1,304,439	2,188,104	(291)	2,187,813

V.S. Industry Berhad

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Condensed consolidated statement of cash flows for the period ended 30 April 2026 – unaudited

	9 months ended 30 April	
	2026	**2025**
	RM'000	**RM'000**
Cash flows from operating activities		
(Loss)/ Profit before tax	(14,611)	105,570
Adjustments for:		
Depreciation and amortisation	100,394	90,571
Other non-cash items	(102)	(1,200)
Non-operating items	4,220	17,155
Operating profit before changes in working capital	89,901	212,096
Changes in working capital:		
Change in inventories	(32,739)	192,139
Change in contract assets	18,477	71,919
Change in trade and other receivables	197,191	108,436
Change in trade and other payables	42,353	(243,073)
Change in contract liabilities	481	6,573
Interest received	14,973	15,552
Tax paid	(10,339)	(53,924)
Net cash (used in)/from operating activities	320,298	309,718
Cash flows from investing activities		
Acquisition of property, plant and equipment	(126,901)	(129,805)
Proceeds from disposal of property, plant and equipment	2,090	894
Proceeds from disposal of other investments	--	41,298
Net cash (used in)/from investing activities	(124,811)	(87,613)
Cash flows from financing activities		
Bank borrowings	(296,416)	(45,869)
Dividend paid to owners of the Company	(15,418)	(77,332)
Proceeds from issuance of shares	--	7,928
Funds from non-controlling interest	--	2,393
Payment of lease liabilities	(2,627)	--
Repurchase of treasury shares	(10,676)	(31,475)
Net cash (used in)/from financing activities	(325,137)	(144,355)
Net change in cash and cash equivalents	(129,650)	77,750
Cash and cash equivalents at beginning of period	858,723	753,891
Foreign exchange differences on opening balances	(22,780)	(16,722)
Cash and cash equivalents at end of period	706,293	814,919

Notes to the condensed consolidated interim financial statements

V.S. Industry Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements of the Group as at and for the nine months period ended 30 April 2026 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in associates.

The consolidated financial statements of the Group as at and for the year ended 31 July 2025 are available upon request from the Company's registered office at:

Registered office
Suite 5.11 & 5.12, 5th Floor
Menara TJB
No.9, Jalan Syed Mohd. Mufti
80888 Ibrahim International Business District
Johor
Malaysia

These condensed consolidated interim financial statements were approved by the Board of Directors on 19 June 2026.

1. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 July 2025.

2. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 July 2025.

3. Seasonal or cyclical factors

The Group's operations are not significantly affected by any seasonal or cyclical factors.

4. Unusual items affecting the assets, liabilities, equity, net income or cash flows

There are no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year-to-date.

5. Material changes in estimates

There are no material changes in estimates for the current quarter and financial year-to-date.

6. Issuances, cancellations, repurchases, resale and repayments of debts and equity securities

There are no issuance, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial year-to-date other than repurchase of its own shares from the open market totalling 13.7022 million units at an average price of RM0.78 per share. The total consideration paid for the repurchase including transaction cost was RM10.67 million. The shares repurchased are being held as treasury shares.

7. Dividends paid

Since the end of the previous financial year, the Company paid a first interim dividend of 0.4 sen per ordinary share totalling RM15,418,077 in respect of the financial year ending 31 July 2026 on 28 January 2026.

8. Segment information

(a) Information about reportable segments

	9 months ended 30 April 2026			
	Malaysia RM'000	**Indonesia RM'000**	**Philippines RM'000**	**Total RM'000**
External revenue	2,241,101	203,297	207,683	2,652,081
Inter-segment revenue	55,899	--	--	55,899
Segment profit before tax	18,237	478	(35,069)	(16,354)

	9 months ended 30 April 2025			
	Malaysia RM'000	**Indonesia RM'000**	**Philippines RM'000**	**Total RM'000**
External revenue	2,690,876	238,167	--	2,929,043
Inter-segment revenue	8,405	--	--	8,405
Segment profit before tax	112,273	(1,293)	(4,399)	106,581

8. Segment information (Cont'd)

(b) Reconciliation of reputable segment profit or loss

	9 months ended 30 April	
	2026	**2025**
	RM'000	**RM'000**
Total profit for reputable segments	(16,354)	106,581
Other non-reportable segments	135	453
Share of resuts of associate not included in reportable segments	1,608	(1,464)
Consolidated profit before tax	(14,611)	105,570

9. Material events subsequent to period end

There are no material events subsequent to the end of the period reported that have not been reflected in this quarterly report.

10. Changes in composition of the Group

There are no major changes in the composition of the Group for the current quarter and financial year-to-date.

11. Contingent liabilities and contingent assets

The Group does not have any contingent liabilities and contingent assets as at 31 April 2026 other than the following:-

The Company and the Executive Chairman of the Company had on 8 August 2022 received a Writ and Statement of Claim dated 2 August 2022 filed in the Kuala Lumpur High Court by NEP Holdings (Malaysia) Berhad ("NEP"), Lim Chang Huat ("LCH") and Lim Chee Kon ("LCK") (Plaintiffs).

NEP, LCH and LCK allege that certain Clauses of the Shareholders Agreement dated 25 July 2016 entered into by the Company with NEP, LCH and LCK have been breached and further allege that there has been a breach of fiduciary duties on the part of the Executive Chairman of the Company. In their Statement of Claim, NEP, LCH and LCK are seeking general damages, exemplary damages and aggravated damages arising from these alleged breaches.

The solicitor is of the opinion that the allegations raised lack of merits and unsustainable.

12. Capital commitments

	30.04.2026 RM'000
Property, plant and equipment	
Contracted but not provided for	11,660

13. Related party transactions

Significant related party transactions of the Group are as follows: -

	9 months ended 30 April	
	2026 RM'000	2025 RM'000
Companies which are wholly owned by close family member of certain Directors		
- Purchases	3,118	2,986
- Sales	183	--
Companies in which spouse of certain Directors have financial interest		
- Purchases	33,290	35,513
Company wholly owned by a Director		
- Rental receivable	112	112
Firm in which spouse of a Director is a Partner		
- Professional fees	--	28
Remuneration paid to staff who are close family member of certain Directors	1,528	1,610

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

Additional Information on Interim Financial Report required on the Bursa Malaysia Listing Requirements

14. Review of performance

For the current quarter under review, the Group recorded a revenue of RM804.0 million, a decrease of 11.6% or RM105.4 million as compared to the previous year corresponding quarter. The Group registered a loss before tax of RM35.4 million as compared to a profit before tax of RM35.6 million.

For the nine months ended 30 April 2026, the Group recorded a lower revenue of RM2,652.1 million as compared to RM2,929.0 million in the preceding year corresponding period. The Group incurred a loss before tax of RM14.6 million as compared to a profit before tax of RM105.6 million.

The performance for the current quarter and cumulative quarters were affected by lower orders from key customers arising from soft consumer sentiments globally, which in turn affected the overall utilisation rate of production capacity coupled with cost optimisation initiatives from customers.

The comparison of the results of the segment are tabulated below:-

	Individual Quarter 30 April		Cumulative Quarter 30 April	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue				
Malaysia	534,236	850,977	2,241,101	2,690,876
Indonesia	62,090	58,438	203,297	238,167
Philippines	93,671	--	207,683	--
Profit before tax				
Malaysia	(29,125)	41,703	18,237	112,273
Indonesia	(1,071)	(3,144)	478	(1,293)
Philippines	(7,001)	(2,855)	(35,069)	(4,399)

Malaysia segment

For the current quarter and cumulative quarters, Malaysia segment posted a 37.2% and 16.7% decrease in revenue respectively due to lower sales orders from key customers following macroeconomic uncertainties and weak consumer sentiment.

A loss before tax of RM 29.1 million was recorded for the current quarter in line with the lower revenue recorded and cost optimisation initiatives from customers. For the cumulative quarters, lower profit before tax was recorded as compared to the previous period.

14. Review of performance (Cont'd)

Indonesia segment
Indonesia segment incurred a lower loss following higher revenue recorded for the current quarter under review. On cumulative basis, the segment recorded a modest profit before tax, in contrast to losses incurred in the preceding year corresponding period.

Philippine segment
The Philippines segment incurred a loss of RM7.0 million and RM35.1 million for the quarter under review and cumulative quarters respectively. The operation remains in its gestation period with utilisation rate yet to reach the breakeven point to cover fixed costs.

15. Variation of results against preceding quarter

	Current Quarter 30 April 2026 RM'000	Current Quarter 31 January 2026 RM'000
Revenue	804,009	769,533
Loss before tax	(35,385)	(28,065)
Loss attributable to owners of the Company	(32,910)	(29,589)

For the quarter under review, the Group recorded higher losses as operations remained under-utilised, resulting in fixed cost not sufficiently covered.

16. Current year prospects

The operating environment remained highly challenging throughout the current financial year, with the global trade policy landscape continuing to evolve in ways that directly affect the Group's business. Although headline tariff rates on Malaysian exports to the US have been revised lower following court rulings, the broader trade policy landscape remains uncertain. The recent sector-specific tariff investigations by the US targeting the electronics industry is keeping uncertainty elevated. The global supply chain disruptions arising from the Middle East tension further aggravated the uncertainties. As a result, order visibility remains limited, with customers continuing to adopt a cautious stance on their procurement and inventory planning.

Demand conditions in the Group's key end-markets have yet to show meaningful recovery. Persistently weak consumer sentiment and spending globally dampened orders from key customers, affecting the utilisation rate of the Group's production capacity. The resultant under-utilisation of facilities led to fixed costs not being adequately absorbed, and thus weighed on the Group's profitability.

In the Philippines, the utilisation rate has yet to reach the breakeven point required to cover fixed costs. The Group continues to focus on ramping up production at the plant while keeping cost in check.

16. Current year prospects (Cont'd)

Notwithstanding the prevailing headwinds, the Group is cautiously encouraged by early signs of improving order flow from customers heading into the final quarter of the financial year. The Group remains committed to lean production, stringent cost control, and enhancing operational efficiency across all its facilities, and continues to be supported by a solid balance sheet with healthy cash holdings, providing the financial resilience to navigate the current environment.

Taking all factors into consideration, the Board anticipates the Group's performance for the financial year ending 31 July 2026 to be lower than the preceding year.

17. Profit forecast

Not applicable.

18. Tax expense

	Individual 3 months ended 30 April		Cumulative 9 months ended 30 April	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Tax expense				
- Current period	(2,997)	11,636	17,564	34,947
- Prior years	980	--	980	13
Deferred tax expense				
- Current period	39	496	(158)	2,783
- Prior years	--	--	--	415
	(1,978)	12,132	18,386	38,158

The tax expenses mainly arising from losses of certain subsidiaries that cannot be offset against taxable profits made by other entities within the Group, in addition to certain non-deductible expenses for tax purposes.

19. Status of uncompleted corporate proposals

There are no outstanding uncompleted corporate proposals as at the date of this quarterly report.

20. Borrowing and debt securities

	30.04.2026 RM'000	31.07.2025 RM'000
Non-current		
Secured		
Hire purchase liabilities	388	508
Unsecured		
Term loans	13,886	32,400
Sukuk	300,000	300,000
	314,274	332,908
Current		
Secured		
Hire purchase liabilities	158	174
Current		
Unsecured		
Sukuk	--	200,000
Term loans	29,042	41,415
Bankers' acceptance	11,077	52,065
Trade line financing	120,626	154,169
Short term loan	4,298	6,431
Revolving credit	32,072	--
	197,273	454,254
	511,547	787,162

Borrowings denominated in US Dollar amounted to RM121.1 million. (31.7.2025: RM169.2 million).

21. Changes in material litigation

There are no changes in material litigation which would materially and adversely affect the financial position of the Group as at the date of this quarterly report.

22. Profit for the period

	3 months ended 30 April		9 months ended 30 April	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit for the period is arrived at after charging/(crediting)				
Depreciation and amortisation	33,153	31,446	100,394	90,571
Net foreign exchange loss/ (gain)	(3,504)	(550)	(1,035)	1,461
Loss/(Gain) on disposal of property, plant and equipment	(616)	(74)	(927)	(1,261)

23. Dividends

(a) No dividend is proposed for the current financial quarter.

(b) The total dividend per share for the current financial year is 0.4 sen (previous year corresponding period: 0.8 sen).

24. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the current quarter and financial year-to-date are based on net loss attributable to owners of the Company of RM32.9 million and RM31.9 million respectively and the weighted average number of ordinary shares of 3,854.530 million and 3,854.530 respectively.

(b) Diluted earnings per share

No disclosure is made as it is anti-dilutive.