V.S. Industry Berhad

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

Interim Financial Report
31 July 2026

V.S. Industry Berhad

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

Condensed consolidated statement of financial position
As at 31 July 2026 – unaudited

	31.07.2026 RM'000	31.07.2025 RM'000
Assets		
Property, plant and equipment	899,170	912,544
Right-of-use assets	87,260	95,521
Investments properties	31,199	31,444
Intangible assets	25,474	--
Investments in associates	100,276	102,015
Other investments	57,299	40,769
Prepayments	22,758	86,582
Deferred tax assets	567	1,702
Total non-current assets	1,224,003	1,270,577
Inventories	622,044	448,597
Contract assets	148,076	123,335
Trade and other receivables	978,661	1,003,713
Current tax assets	6,694	20,456
Other investments	147	144
Cash and cash equivalents	662,926	858,723
Current assets excluding assets held for sale	2,418,548	2,454,968
Assets held for sale	30,152	--
Total current assets	2,448,700	2,454,968
Total assets	3,672,703	3,725,545
Equity		
Share capital	946,336	946,335
Reserves	1,115,926	1,206,777
Equity attributable to owners of the Company	2,062,262	2,153,112
Non-controlling interests	(1,580)	(1,700)
Total equity	2,060,682	2,151,412
Liabilities		
Loans and borrowings	311,417	332,908
Lease liabilities	38,755	49,812
Trade and other payables	6,497	6,320
Deferred tax liabilities	15,588	35,197
Total non-current liabilities	372,257	424,237
Loans and borrowings	309,735	454,254
Lease liabilities	4,115	301
Trade and other payables	912,219	690,799
Contract liabilities	629	188
Current tax liabilities	13,066	4,354
Total current liabilities	1,239,764	1,149,896
Total liabilities	1,612,021	1,574,133
Total equity and liabilities	3,672,703	3,725,545
Net assets per share (RM)	0.54	0.56

V.S. Industry Berhad

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Condensed consolidated statement of profit or loss and other comprehensive income for the period ended 31 July 2026 - unaudited

	Individual 3 months ended 31 July		Cumulative 12 months ended 31 July	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue	998,643	858,790	3,650,775	3,787,833
Cost of sales	(967,930)	(858,927)	(3,534,917)	(3,556,791)
Gross profit/ (loss)	30,713	(137)	115,858	231,042
Operating expenses	(43,690)	(21,695)	(149,253)	(135,824)
Net other income/(expenses)	23	(3,867)	10,649	382
Results from operating activities	(12,954)	(25,699)	(22,746)	95,600
Finance income	4,502	6,624	19,474	24,193
Finance costs	(11,567)	(11,873)	(32,966)	(43,707)
Share of profit/(loss) of associate, net of tax	1,712	337	3,320	(1,127)
(Loss)/ Profit before tax	(18,307)	(30,611)	(32,918)	74,959
Tax expense	(3,960)	(3,839)	(22,346)	(41,997)
(Loss)/ Profit for the period	(22,267)	(34,450)	(55,264)	32,962
Other comprehensive income/ (loss), net of tax				
Foreign currency translation differences for foreign operations	29,304	(14,410)	(29,469)	(52,367)
Net change in fair value of equity instrument designated at fair value through other comprehensive income	10,904	11,673	18,562	(27,220)
Remeasurement of actuarial loss	--	(31)	--	(31)
Total comprehensive income/ (loss) for the period	17,941	(37,218)	(66,171)	(46,656)

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Condensed consolidated statement of profit or loss and other comprehensive income for the period ended 31 July 2026 – unaudited (Cont'd)

	Individual 3 months ended 31 July		Cumulative 12 months ended 31 July	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(Loss)/ Profit attributable to:				
Owners of the Company	(21,959)	(33,043)	(53,827)	36,706
Non-controlling interests	(308)	(1,407)	(1,437)	(3,744)
	(22,267)	(34,450)	(55,264)	32,962
Total comprehensive income/ (loss) attributable to:				
Owners of the Company	18,265	(35,809)	(64,757)	(42,986)
Non-controlling interests	(324)	(1,409)	(1,414)	(3,670)
Total comprehensive income/ (loss) for the period	17,941	(37,218)	(66,171)	(46,656)
Basic earnings per ordinary share (sen)	(0.57)	(0.86)	(1.40)	(0.95)
Diluted earnings per ordinary share (sen)	anti-dilutive	anti-dilutive	anti-dilutive	anti-dilutive

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Condensed consolidated statement of changes in equity for the period ended 31 July 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	--	(29,492)	--	(29,492)	23	(29,469)
Net change in fair value of equity instrument designated at FVOCI	--	18,562	--	18,562	--	18,562
Loss for the period	--	--	(53,827)	(53,827)	(1,437)	(55,264)
Total comprehensive income for the period	--	(10,930)	(53,827)	(64,757)	(1,414)	(66,171)
Share buyback	--	(10,676)	--	(10,676)	--	(10,676)
Conversion of Warrants	1	--	--	1	--	1
Dividends to shareholders	--	--	(15,418)	(15,418)	--	(15,418)
New issue of shares in subsidiary	--	--	--	--	1,534	1,534
Total transactions with owners of the Group	1	(10,676)	(15,418)	(26,093)	1,534	(24,559)
At 31 July 2026	946,336	(76,548)	1,192,474	2,062,262	(1,580)	2,060,682

	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	--	(52,441)	--	(52,441)	74	(52,367)
Remeasurement of actuarial loss	--	--	(31)	(31)	--	(31)
Net change in fair value of equity instrument designated at FVOCI	--	(27,220)	--	(27,220)	--	(27,220)
Transfer upon disposal of equity instrument designated at FVOCI	--	9,574	(9,574)	--	--	--
Profit for the period	--	--	36,706	36,706	(3,744)	32,962
Total comprehensive income for the period	--	(70,087)	27,101	(42,986)	(3,670)	(46,656)
Share buyback	--	(38,257)	--	(38,257)	--	(38,257)
Equity settled share-based transactions	12,197	(429)	7,046	18,814	--	18,814
Conversion of Warrants	494	--	--	494	--	494
Dividends to shareholders	--	--	(77,332)	(77,332)	--	(77,332)
Distribution of share dividend	--	21,004	(21,004)	--	--	--
Change in ownership interest in subsidiary	--	--	(693)	(693)	2,393	1,700
Total transactions with owners of the Group	12,691	(17,682)	(91,983)	(96,974)	2,393	(94,581)
Realisation of revaluation reserve	--	(4,295)	4,295	--	--	--
At 31 July 2025	946,335	(54,942)	1,261,719	2,153,112	(1,700)	2,151,412

V.S. Industry Berhad

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Condensed consolidated statement of cash flows for the period ended 31 July 2026 – unaudited

	12 months ended 31 July	
	2026	**2025**
	RM'000	**RM'000**
Cash flows from operating activities		
(Loss)/ Profit before tax	(32,918)	74,959
Adjustments for:		
Depreciation and amortisation	141,534	127,056
Other non-cash items	38,128	15,712
Non-operating items	9,837	16,219
Operating profit before changes in working capital	156,581	233,946
Changes in working capital:		
Change in inventories	(173,447)	161,976
Change in contract assets	(19,054)	104,470
Change in trade and other receivables	19,365	282,338
Change in trade and other payables	226,505	(121,938)
Change in contract liabilities	441	(4,675)
Interest received	19,474	24,193
Tax paid	(18,346)	(64,196)
Net cash (used in)/from operating activities	211,519	616,114
Cash flows from investing activities		
Acquisition of property, plant and equipment	(162,564)	(284,147)
Proceeds from disposal of property, plant and equipment	5,715	2,816
Proceeds from disposal of other investments	--	48,060
Other investments	(1,857)	(1,780)
Changes in pledged deposits	--	1,014
Net cash (used in)/from investing activities	(158,706)	(234,037)
Cash flows from financing activities		
Bank borrowings	(197,824)	(161,906)
Dividend paid to owners of the Company	(15,418)	(77,332)
Proceeds from issuance of shares	1	18,814
Funds from non-controlling interest	1,534	2,393
Payment of lease liabilities	(12,328)	(2,861)
Repurchase of treasury shares	(10,676)	(38,257)
Net cash (used in)/from financing activities	(234,711)	(259,149)
Net change in cash and cash equivalents	(181,898)	122,928
Cash and cash equivalents at beginning of period	858,723	753,891
Foreign exchange differences on opening balances	(13,899)	(18,096)
Cash and cash equivalents at end of period	662,926	858,723

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 twelve months period ended 31 July 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 29 September 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

	12 months ended 31 July 2026			
	Malaysia RM'000	**Indonesia RM'000**	**Philippines RM'000**	**Total RM'000**
External revenue	3,016,862	288,995	344,867	3,650,724
Inter-segment revenue	70,206	--	--	70,206
Segment profit before tax	(1,549)	3,065	(38,029)	(36,513)

	12 months ended 31 July 2025			
	Malaysia RM'000	**Indonesia RM'000**	**Philippines RM'000**	**Total RM'000**
External revenue	3,439,900	313,838	33,984	3,787,722
Inter-segment revenue	34,387	342	--	34,729
Segment profit before tax	97,772	1,102	(23,094)	75,780

8. Segment information (Cont'd)

(b) Reconciliation of reputable segment profit or loss

	12 months ended 31 July	
	2026	**2025**
	RM'000	**RM'000**
Total profit for reputable segments	(36,513)	75,780
Other non-reportable segments	275	306
Share of resuts of associate not included in reportable segments	3,320	(1,127)
Consolidated profit before tax	(32,918)	74,959

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 July 2026.

12. Capital commitments

	31.07.2026
	RM'000
Property, plant and equipment	
Contracted but not provided for	6,145

13. Related party transactions

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

	12 months ended 31 July	
	2026	**2025**
	RM'000	**RM'000**
Companies which are wholly owned by close family member of certain Directors		
- Purchases	6,263	4,212
- Sales	183	--
Companies in which spouse of certain Directors have financial interest		
- Purchases	43,301	45,331
Company wholly owned by a Director		
- Rental receivable	150	150
Firm in which spouse of a Director is a Partner		
- Professional fees	13	28
Remuneration paid to staff who are close family member of certain Directors	1,939	2,006

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 RM998.6 million, an increase of 16.3% or RM139.9 million as compared to the previous year corresponding quarter. Loss before tax dropped to RM18.3 million over the same period, supported by higher sales orders from key customers despite higher impairment loss on plant and equipment amounting to RM39.7 million. (Note that similar impairment of RM7.1 million was recorded in the previous year corresponding quarter).

For the financial year ended 31 July 2026, the Group recorded a lower revenue of RM3,650.8 million as compared to RM3,787.8 million in the preceding year. The Group incurred a loss before tax of RM32.9 million as compared to a profit before tax of RM75.0 million. The performance was 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 31 July		Cumulative Quarter 31 July	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue				
Malaysia	775,761	749,024	3,016,862	3,439,900
Indonesia	85,698	75,671	288,995	313,838
Philippines	137,184	33,984	344,867	33,984
Profit before tax				
Malaysia	(14,512)	(14,501)	(1,549)	97,772
Indonesia	2,587	2,395	3,065	1,102
Philippines	(2,960)	(18,695)	(38,029)	(23,094)

Malaysia segment

The Malaysia segment recorded a 3.6% increase in revenue for the current quarter. For cumulative quarters, Malaysia segment posted a 12.3% decrease in revenue due to lower sales orders from key customers following macroeconomic uncertainties and weak consumer sentiment.

For the current quarter and cumulative quarters, loss before tax of RM14.5 million and RM1.5 million were recorded respectively, primarily due to higher impairment loss on plant and equipment as mentioned above as well as cost optimisation initiatives from customers.

14. Review of performance (Cont'd)

Indonesia segment
Indonesia segment recorded higher profit before tax for the current quarter and cumulative quarters following higher revenue recorded for the current quarter under review.

Philippine segment
Philippines segment incurred a loss before tax of RM3.0 million and RM38.0 million for the current quarter under review and cumulative quarters. Utilisation rate has increased with higher production output but yet to reach the breakeven point to cover fixed costs.

15. Variation of results against preceding quarter

	Current Quarter 31 July 2026 RM'000	Preceding Quarter 30 April 2026 RM'000
Revenue	998,643	804,009
Loss before tax	(18,307)	(35,385)
Loss attributable to owners of the Company	(21,959)	(32,910)

For the quarter under review, the Group recorded a lower loss mainly due to higher sales orders from key customers notwithstanding impairment loss on plant and equipment as mentioned above.

16. Current year prospects

Persistent global trade uncertainties and weak consumer demand characterised much of the financial year. However, as the year-end festive season approaches, the Group is seeing steady uptick in customer orders. Management expecting this momentum to sustain into the coming quarter. Moreover, there are planned roll-out of new models by customers in the coming fiscal year to maintain market competitiveness. Over in the Philippines, the operations continued to make progress with higher utilisation rate as additional model entered production.

The Group continues to actively explore opportunities beyond its core consumer electronics exposure to diversify its revenue base. Discussions are ongoing with prospective customers. The Group's technical know-how, availability of production space and ready capacity position it as a compelling partner for prospects seeking a proven, reliable and scalable manufacturer that can respond swiftly to customer's specific requirements.

16. Current year prospects

Meanwhile, the Group's balance sheet remains strong with healthy cash holdings. The net cash position provides financial flexibility to manage through the current operating environment while pursuing strategic opportunities. The Group remains committed to lean production, stringent cost control, and operational efficiency across all facilities.

Barring unforeseen circumstances, the Board expects to deliver satisfactory results for the financial year ending 31 July 2027.

17. Profit forecast

Not applicable.

18. Tax expense

	Individual 3 months ended 31 July		Cumulative 12 months ended 31 July	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Tax expense				
- Current period	21,511	16,631	39,075	51,578
- Prior years	321	2,550	1,301	2,563
Deferred tax expense				
- Current period	(15,194)	(12,042)	(15,352)	(9,259)
- Prior years	(2,678)	(3,300)	(2,678)	(2,885)
	3,960	3,839	22,346	41,997

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

	31.07.2026 RM'000	31.07.2025 RM'000
Non-current		
Secured		
Hire purchase liabilities	348	508
Unsecured		
Term loans	11,069	32,400
Sukuk	300,000	300,000
	311,417	332,908
Current		
Secured		
Hire purchase liabilities	160	174
Current		
Unsecured		
Sukuk	--	200,000
Term loans	21,168	41,415
Bankers' acceptance	12,913	52,065
Trade line financing	230,514	154,169
Short term loan	12,332	6,431
Revolving credit	32,648	--
	309,735	454,254
	621,152	787,162

Borrowings denominated in US Dollar amounted to RM215.1 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 31 July		12 months ended 31 July	
	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	41,140	36,485	141,534	127,056
Net foreign exchange loss/ (gain)	239	(9,061)	(796)	(7,600)
Loss/(Gain) on disposal of property, plant and equipment	(1,518)	(1,098)	(2,445)	(2,359)
Impairment loss on plant and equipment	39,708	7,124	39,708	7,124
Impairment loss on receivables	--	6,120	--	6,120

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 RM22.0 million and RM53.8 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.