

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

	Note	As At 31/03/2026 RM'000	As At 31/12/2025 RM'000
ASSETS			
Plant and equipment	13	8,119	8,316
Right-of-use assets		1,781	2,331
Intangible asset		571	571
Investment in an associate		24,595	24,480
Investment in a joint venture		13,272	13,116
Other investments		110	122
Deferred tax assets		15,256	14,848
Total non-current assets		63,704	63,784
Inventories		266,796	269,440
Receivables, deposits and prepayments	18 (b)	619,807	666,656
Tax recoverable		26	26
Cash and cash equivalents	18 (a)	225,200	88,971
Total current assets		1,111,829	1,025,093
TOTAL ASSETS		1,175,533	1,088,877
EQUITY			
Share capital		90,000	90,000
Reserves		506,350	483,466
Total equity attributable to owners of the Company		596,350	573,466
LIABILITIES			
Borrowings	23	-	25
Lease liabilities		275	352
Total non-current liabilities		275	377
Borrowings	23	213	21,050
Lease liabilities		1,626	2,098
Payables and accruals		564,643	480,168
Tax payable		12,426	11,718
Total current liabilities		578,908	515,034
Total liabilities		579,183	515,411
TOTAL EQUITY AND LIABILITIES		1,175,533	1,088,877
Net assets per share attributable to owners of the Company (RM)		1.67	1.61

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2026**

	Note	Individual Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
		31/03/2026 RM'000	31/03/2025 RM'000	31/03/2026 RM'000	31/03/2025 RM'000
Revenue		1,046,926	691,668	1,046,926	691,668
Cost of sales		(990,541)	(644,757)	(990,541)	(644,757)
Gross profit		56,385	46,911	56,385	46,911
Distribution expenses		(18,325)	(15,675)	(18,325)	(15,675)
Administrative expenses		(9,356)	(7,951)	(9,356)	(7,951)
Net loss on impairment of financial instruments		(1,813)	(1,982)	(1,813)	(1,982)
Other income	17	3,293	492	3,293	492
Results from operating activities		30,184	21,795	30,184	21,795
Finance income		678	695	678	695
Finance costs		(77)	(43)	(77)	(43)
Net finance income		601	652	601	652
Share of profit of equity-accounted associate, net of tax		115	614	115	614
Share of profit of equity-accounted joint venture, net of tax		156	157	156	157
Profit before tax		31,056	23,218	31,056	23,218
Tax expense	21	(8,173)	(5,467)	(8,173)	(5,467)
Profit for the period		22,883	17,751	22,883	17,751
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operation		1	-	1	-
Total comprehensive income for the period attributable to owners of the Company		22,884	17,751	22,884	17,751
Earnings per share attributable to owners of the Company:					
Basic (sen)	26	6.4	5.0	6.4	5.0
Diluted (sen)		N/A	N/A	N/A	N/A

Notes:

N/A Not applicable

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2026**

	<- Attributable to owners of the Company - >				Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000			
At 1 January 2025	90,000	(1,948)	-	414,347	502,399	-	502,399
Profit for the period/ Total comprehensive income for the period	-	-	-	17,751	17,751	-	17,751
At 31 March 2025	90,000	(1,948)	-	432,098	520,150	-	520,150
At 1 January 2026	90,000	(1,948)	(3)	485,417	573,466	-	573,466
Foreign currency translation differences for foreign operation	-	-	1	-	1	-	1
Profit for the period/ Total comprehensive income for the period	-	-	-	22,883	22,883	-	22,883
At 31 March 2026	90,000	(1,948)	(2)	508,300	596,350	-	596,350

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2026**

	Note	Three Months Ended	
		31/03/2026 RM'000	31/03/2025 RM'000
Cash Flows from Operating Activities			
Profit before tax		31,056	23,218
<i>Adjustments for:</i>			
Non-cash items		1,903	1,721
Non-operating items		(872)	(1,423)
Operating profit before changes in working capital		<u>32,087</u>	<u>23,516</u>
Change in inventories		2,358	26,340
Change in receivables, deposits and prepayment		47,535	55,218
Change in payables and accruals		93,402	(26,399)
Cash generated from operations		<u>175,382</u>	<u>78,675</u>
Tax paid		(7,873)	(5,250)
Net cash from operating activities		<u>167,509</u>	<u>73,425</u>
Cash Flows from Investing Activities			
Acquisition of plant and equipment	13	(489)	(427)
Proceeds from disposal of plant and equipment		1	115
Net cash used in investing activities		<u>(488)</u>	<u>(312)</u>
Cash Flows from Financing Activities			
Repayment of borrowings	23	(20,750)	-
Interest received		678	662
Interest paid		(77)	(43)
Repayment of hire purchase liabilities		(112)	(112)
Payment of lease liabilities		(549)	(484)
Dividend paid	7	(9,983)	(9,983)
Net cash used in financing activities		<u>(30,793)</u>	<u>(9,960)</u>
Net increase in cash and cash equivalents		136,228	63,153
Effect of exchange rate fluctuations on cash held		1	-
Cash and cash equivalents at beginning of period		88,971	106,370
Cash and cash equivalents at end of period		<u>225,200</u>	<u>169,523</u>
Cash and cash equivalents comprise the following:			
Cash and bank balances		<u>225,200</u>	<u>169,523</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING

1. Basis of preparation

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 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 financial year ended 31 December 2025.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2025 are available upon request from the Company's registered office at: Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

2. Material accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 31 December 2025, except with the adoption of the following:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

The adoption of the above amendments is not expected to have material financial impact to the financial statements of the Group.

3. Seasonal or cyclical factors

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

4. Unusual items

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING

5. Material changes in estimates

There was no estimation made for the current financial quarter results.

6. Debt and equity securities

There were no issuances, cancellations, resale and repayments of debt and equity securities in the current financial year-to-date.

7. Dividends paid

A single-tier first interim dividend of 2.8 sen per share, totalling RM9,983,000 in respect of the financial year ended 31 December 2025 was paid on 7 January 2026.

8. Segmental reporting

Segment information is presented in respect of the Group's business segments.

The Group business segments comprise the following:

- (i) ICT Distribution Distribution of consumer ICT products to resellers, comprising mainly retailers
- (ii) Enterprise Systems Distribution of commercial and enterprise ICT products to resellers, comprising mainly system integrators and corporate dealers
- (iii) ICT Services Provision of ICT services

Other non-reportable segments comprise management services and investment holding.

(a) Information about reportable segments

	ICT Distribution RM'000	Enterprise Systems RM'000	ICT Services RM'000	Total RM'000
<u>3 months financial period ended 31 March 2026</u>				
External revenue	388,723	538,979	119,224	1,046,926
Inter-segment revenue	1,707	482	3,107	5,296
Total revenue	<u>390,430</u>	<u>539,461</u>	<u>122,331</u>	<u>1,052,222</u>
Reportable segment profit before tax	<u>5,181</u>	<u>20,110</u>	<u>4,828</u>	<u>30,119</u>
<u>3 months financial period ended 31 March 2025</u>				
External revenue	276,714	307,654	107,300	691,668
Inter-segment revenue	1,664	454	3,282	5,400
Total revenue	<u>278,378</u>	<u>308,108</u>	<u>110,582</u>	<u>697,068</u>
Reportable segment profit before tax	<u>4,281</u>	<u>13,245</u>	<u>4,344</u>	<u>21,870</u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026****PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING****8. Segmental reporting (continue)****(b) Reconciliation of reportable segment profit and loss**

	Current Year To-date 31/03/2026 RM'000	Preceding Year Corresponding Period 31/03/2025 RM'000
Total profit before tax for reportable segments	30,119	21,870
Other non-reportable segments profit	937	1,344
Eliminate of inter-segments profit	-	4
Consolidated profit before tax	<u>31,056</u>	<u>23,218</u>

(c) Disaggregation of the Group's revenue

	Current Year-to-date 31/03/2026		Preceding Year-to-date 31/03/2025	
	At a point in time RM'000	Over time RM'000	At a point in time RM'000	Over time RM'000
ICT Distribution				
Consumer Desktop, PC and notebooks, Mobility devices and peripherals	390,430	-	278,378	-
Enterprise Systems				
Commercial Desktop, PC and notebooks, Server, storage, software and networking products	539,461	-	308,108	-
ICT Services				
Services, cloud and maintenance	51,997	70,334	46,200	64,382
	<u>981,888</u>	<u>70,334</u>	<u>632,686</u>	<u>64,382</u>

(d) Segment assets

	As at 31/03/2026 RM'000	As at 31/12/2025 RM'000
ICT Distribution	716,338	669,995
Enterprise Systems	344,654	397,659
ICT Services	25,260	30,492
Total reportable segment assets	<u>1,086,252</u>	<u>1,098,146</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING

8. Segmental reporting (continue)

(d) Segment assets (continue)

	As at 31/03/2026 RM'000	As at 31/12/2025 RM'000
<u>Reconciliation of reportable segment assets:</u>		
Total reportable segment assets	1,086,252	1,098,146
Other non-reportable segments assets	163,316	172,571
Elimination of inter-segment balances	(74,035)	(181,840)
Consolidated total assets	<u>1,175,533</u>	<u>1,088,877</u>

There were no major changes in segment assets during the period.

(e) Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence, no disclosure is made on segment liabilities.

9. Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.

10. Changes in the composition of the Group

There were no changes in the composition of the Group.

11. Contingent liabilities and contingent assets

(a) Contingent liabilities

	As At 31/03/2026 RM'000	As At 31/12/2025 RM'000
Guarantees to suppliers and licensed banks for trade credit facilities granted by holding company to Group entities	<u>206,902</u>	<u>206,919</u>

(b) Contingent assets

There were no contingent assets as at the end of the current financial period.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING

12. Capital commitments

The capital expenditure contracted but not provided for as at the end of the current financial period amounted to RM1,395,000.

13. Capital expenditure

The major additions to plant and equipment during the current quarter and financial year-to-date were as follows:

	Current Year Quarter 31/03/2026 RM'000	Current Year To-date 31/03/2026 RM'000
Addition to plant and equipment	489	489

There were no major disposals to plant and equipment during the financial period.

14. Related party transactions

Related parties are those defined under MFRS 124, *Related Party Disclosures*. The Directors are of the opinion that the related party transactions and balances described below were carried out in the ordinary course of business and had been established on negotiated terms.

	Current Year To-date 31/03/2026 RM'000	Balance Due From/(To) As at 31/03/2026 RM'000
Transactions with a joint venture company:		
Lease liabilities	(495)	-
Administrative and accounting charges	5	2
Transactions with an associate company:		
Sales	91	29
Support services	(48)	-

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

15. Review of performance

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Corresponding Quarter		To-date	Corresponding Period	
	31/03/2026	31/03/2025	%	31/03/2026	31/03/2025	%
	RM'000	RM'000		RM'000	RM'000	
Revenue	1,046,926	691,668	51.4	1,046,926	691,668	51.4
Gross profit	56,385	46,911	20.2	56,385	46,911	20.2
<i>GP margin %</i>	<i>5.4%</i>	<i>6.8%</i>		<i>5.4%</i>	<i>6.8%</i>	
Profit before tax	31,056	23,218	33.8	31,056	23,218	33.8
Profit for the period	22,883	17,751	28.9	22,883	17,751	28.9

Q1 FY2026 compared with Q1 FY2025

For Q1 FY2026, the revenue increased by 51.4% to RM1,046.9 million from RM691.7 million last year attributed to higher sales from all 3 business segments. Gross Profit (GP) increased by 20.2% to RM56.4 million from RM46.9 million last year after recording lower GP margin of 5.4% compared to 6.8% last year due to product mix and intense competition.

With higher GP, Profit Before Tax (PBT) increased by 33.8% to RM31.1 million from RM23.2 million last year after recording higher forex and fair value gain by RM2.9 million.

Quarterly Segmental Result

The performance of the three business segments for Q1 FY2026 compared with Q1 FY2025 were as follows:

a) ICT Distribution

Revenue increased by 40.5% from all major products categories except consumables supplies. With higher sales and GP, PBT increased by 21.0% to RM5.2 million.

b) Enterprise Systems

Revenue increased by 75.2% across all major products categories except commercial desktop PC and Supplies. With higher sales and GP, PBT increased by 51.8% to RM20.1 million from RM13.2 million last year.

c) ICT Services

Revenue increased by 11.1% from maintenance services. With higher sales, PBT increased by 11.1% to RM4.8 million from RM4.3 million last year.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

16. Financial review of current quarter compared with immediate preceding quarter

	Current Quarter 31/03/2026 RM'000	Immediate Preceding Quarter 31/12/2025 RM'000	Changes %
Revenue	1,046,926	1,105,677	(5.3)
Gross Profit	56,385	70,861	(20.4)
<i>GP margin %</i>	<i>5.4%</i>	<i>6.4%</i>	
Share of profit of equity-accounted associate, net of tax	115	3,471	(96.7)
Share of profit of equity-accounted joint venture, net of tax	156	145	7.6
Profit before tax	31,056	44,185	(29.7)
Profit for the period	22,883	34,827	(34.3)

Q1 FY2026 revenue decreased by 5.3% compared to Q4 FY2025 due to lower sales from ICT Distribution and ICT Services which decreased by 15.6% and 20.3% respectively; while Enterprise Systems recorded an increase of 8.8% in sales. Year-end quarter normally has higher ICT spending.

With lower GP and lower share of profit from associate by RM3.3 million, PBT decreased by 29.7% to RM31.1 million compared with RM44.2 million of preceding quarter.

17. Results from operating activities are arrived at after (charging)/crediting:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2026 RM'000	Preceding Year Corresponding Quarter 31/03/2025 RM'000	Current Year To-date 31/03/2026 RM'000	Preceding Year Corresponding Period 31/03/2025 RM'000
Depreciation	(1,235)	(910)	(1,235)	(910)
Inventories written down	(286)	(1,371)	(286)	(1,371)
<hr/>				
<u>Other income/(expense):</u>				
Foreign exchange gain - Realised	1,813	1,275	1,813	1,275
Foreign exchange (loss)/gain - Unrealised	(4,620)	922	(4,620)	922
Fair value gain/(loss) on forward exchange contract	6,063	(1,826)	6,063	(1,826)
Fair value loss on other investment	(12)	(22)	(12)	(22)
Gain on fixed assets disposal	-	115	-	115
Others	49	28	49	28
	<hr/>	<hr/>	<hr/>	<hr/>
	3,293	492	3,293	492

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

17. Results from operating activities are arrived at after (charging)/crediting: (continue)

The Group is exposed to foreign currency risk on purchases that are mainly denominated in US Dollar ("USD"). However, the Group hedges most of the exposures by purchasing forward currency contracts in USD for payments on due dates.

There was no gain or loss on disposal of quoted or unquoted investments or properties, impairment of non-financial assets and exceptional items in current quarter.

18. Commentaries and disclosure of other information

(a) Other major changes in financial position and cash flow

The cash and cash equivalents increased by RM136.2 million mainly due to improve in profit and working capital.

(b) Receivables, deposit and prepayments

Trade receivables were having credit term ranging from 14 to 60 days with an exception of a few customers on project with extended payment term up to 2 years. Aging analysis of trade receivables as at 31 March 2026 were as follows:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current (not past due)	289,156	-	289,156
Past due 1 - 30 days	147,195	-	147,195
Past due 31 - 60 days	108,169	-	108,169
Past due 61 - 90 days	21,088	-	21,088
	<hr/> 565,608	-	565,608
Past due more than 90 days	19,667	(2,362)	17,305
Individual impaired	7,203	(7,203)	-
	<hr/> 592,478	(9,565)	<hr/> 582,913

The Group uses aging analysis to monitor the credit quality of the trade receivables. Invoices which are past due more than 90 days are considered as credit impaired. The gross carrying amount of credit impaired trade receivables are written off when there is no realistic prospect of recovery.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

19. Prospects

Malaysia’s economy continues to grow in the first quarter of 2026, underscoring continued resilience despite heightened global uncertainties, including elevated oil prices arising from ongoing geopolitical tensions.

The ICT industry continues to face a global memory shortage, resulting in significant price increases and supply constraints across notebook, server and networking product lines. Notwithstanding these challenges, demand from consumer, enterprise and public sector segments remains strong, supported by ongoing digitalisation initiatives and infrastructure investments.

At the same time, several data centres in Malaysia that are commencing operations have begun procuring hardware infrastructure, presenting a promising pipeline of new opportunities that the we are well positioned to capture.

However, we remain cautious of external headwinds, particularly the ongoing conflict in the Middle East, which may weigh on both the global and Malaysian economic outlook, as well as overall market confidence.

While the global economic outlook and Malaysian market confidence remain uncertain, demand for ICT products continues to be resilient. The Group remains optimistic about the performance in the second quarter of FY2026 and for the remainder of the year.

20. Profit forecast or profit guarantee

Not applicable as the Group did not publish any profit forecast or profit guarantee.

21. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2026 RM'000	Preceding Year Corresponding Quarter 31/03/2025 RM'000	Current Year To-date 31/03/2026 RM'000	Preceding Year Corresponding Period 31/03/2025 RM'000
Current income tax:				
Current year	8,581	7,035	8,581	7,035
Under provision in prior year	-	-	-	-
	<u>8,581</u>	<u>7,035</u>	<u>8,581</u>	<u>7,035</u>
Deferred tax	(408)	(1,568)	(408)	(1,568)
	<u>8,173</u>	<u>5,467</u>	<u>8,173</u>	<u>5,467</u>
Effective tax rate	26.3%	23.5%	26.3%	23.5%

The effective tax rate was different from the statutory tax rate of 24% due to share of profit in associate and joint venture which were net of tax and certain expenses which were not deductible for tax purposes.

22. Corporate proposals

On 27 February 2026, the Company announced the proposed bonus issue of up to 720,000,000 new ordinary shares in VSTECS Berhad ("Bonus Shares") on the basis of 2 Bonus Shares for every 1 existing VSTECS Share held on an entitlement date to be determined and announced later ("Proposed Bonus Issue").

The Proposed Bonus Issue was approved by the shareholders in the Annual General Meeting held on 19 May 2026.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

23. Borrowings and debt securities

The Group's borrowings were as follows:

	As at 31/03/2026 RM'000	As at 31/12/2025 RM'000
Long-term borrowing:		
Hire purchase	-	25
Short-term borrowing:		
Banker's acceptances - Unsecured	-	20,750
Hire purchase	213	300
	213	21,050

The banker's acceptances of RM20.8 million as at 31 December 2025 was repaid in the current quarter.

There were no borrowings denominated in foreign currency as at end of current financial period.

24. Changes in material litigation

On 29 September 2025, a wholly owned subsidiary, VSTECS Pericomp Sdn. Bhd., has initiated legal action against Logicalis Malaysia Sdn. Bhd. and Logicalis Singapore Pte. Ltd. for recovery of outstanding sum due and payable to VSTECS Pericomp Sdn. Bhd. ("Suit")

On 9 April 2026, the Company announced that VSTECS Pericomp has reached an amicable settlement with the Logicalis Group. Pursuant to the settlement, Logicalis Malaysia Sdn. Bhd. had paid a lump sum amount of RM6,925,959.34 as full and final settlement of the Suit. VSTECS Pericomp has agreed to withdraw and/or discontinue the Suit and release the Logicalis Group from any further claim whatsoever arising out of or in connection with the Suit.

25. Dividend

No dividend was recommended in the current quarter under review.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2026

PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

26. Earnings per share

The basic and diluted earnings per share ("EPS") for the current quarter and current year-to-date were computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2026	Preceding Year Corresponding Quarter 31/03/2025	Current Year To-date 31/03/2026	Preceding Year Corresponding Period 31/03/2025
Profit attributable to equity holders of the Company (RM'000)	22,883	17,751	22,883	17,751
Weighted average number of ordinary shares ('000)	356,555	356,555	356,555	356,555
Basic earnings per share (sen)	6.4	5.0	6.4	5.0
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

Diluted EPS is not applicable as there were no dilutive potential ordinary shares in issue for the current quarter and cumulative quarter.

27. Auditor's report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2025.

By order of the Board

Chua Siew Chuan
Cheng Chia Ping
Company Secretaries

20 May 2026
Selangor