

**VSTECs BERHAD**  
(Formerly known as ECS ICT Berhad)  
(Company No. 351038-H)  
(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE TWENTY-THIRD ANNUAL GENERAL MEETING OF THE COMPANY HELD AT GREENS III (SPORTS WING), TROPICANA GOLF & COUNTRY RESORT, JALAN KELAB TROPICANA, 47410 PETALING JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 15 MAY 2019 AT 10:30 A.M.**

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<b>DIRECTORS</b>	: Mr. Foo Sen Chin (Chairman) Mr. Soong Jan Hsung Ms. Ho Chee Kit Encik Ahmad Subri Bin Abdullah Mr. Wong Heng Chong Mr. Ong Wei Hiam Ms. Chow Ying Chi
<b>DIRECTOR ABSENT WITH APOLOGIES</b>	: Mr. Tay Eng Hoe
<b>MEMBERS</b>	: As per Attendance List
<b>CORPORATE REPRESENTATIVES</b>	: As per Attendance List
<b>PROXY HOLDERS</b>	: As per Attendance List
<b>BY INVITATION</b>	: As per Attendance List
<b>IN ATTENDANCE</b>	: Ms. Chua Siew Chuan (Company Secretary) Mr. Cheng Chia Ping (Company Secretary) Ms. Rachel Chong (Assisting the Company Secretary) Ms. Chen Kah Inn (Assisting the Company Secretary)

**1.0 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

Prior to receiving the Audited Financial Statements of the Company for the financial year ended 31 December 2018, the Chairman invited Mr. Soong Jan Hsung ("**Mr. Soong**"), the Chief Executive Officer to present a short review of the Company's 2018 performance and key initiatives for 2019 to the shareholders.

Mr. Soong presented the Company's 2018 performance and key initiatives for 2019 on the following areas:-

- Market and Financial Highlights;
- Industry Outlook;
- Growth Strategy: Information and Communications Technology ("**ICT**") Distribution and Enterprise Systems; and
- Growth Strategy: ICT Services and Software Applications.

The Meeting noted the following salient points:-

- The Group recorded lower revenue of RM1.63 billion in year 2018 as compared to RM1.84 billion for the preceding year. The decline of eleven point two per centum (11.2%) was mainly due to weaker demand of ICT Distribution products.
- The Group recorded a profit after taxation of RM24.6 million for year 2018, a decrease of six

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point three per centum (6.3%) as compared to RM26.3 million for the preceding year was supported by strong spending in the Enterprise Systems segment.

- Despite lower revenue in financial year ended 31 December 2018, the gross profit margin of the Group decreased slightly only due to the higher contribution from the Enterprise Systems segment.
- The International Data Corporation Report shown that the ICT Spending Segments that VSTECs currently serve were forecasted to grow approximately four point five per centum (4.5%) from year 2016 to year 2021 (based on forecast).
- In year 2018, the Group rationalised the ICT Distribution product representations and emphasised on higher margin from Enterprise Systems segment. For year 2019, the Group will continue to explore in investing into the IT Services and Software segment by way of acquisition.
- The 2019 growth strategies for the Group are:-
  - a) Addressing more than RM4.2 billion Malaysian e-Commerce market and driving the e-Commerce Digital Distribution Channels;
  - b) Increasing the market share of Consumer ICT segment by representing e-Commerce products and leading the frontier on e-Sports;
  - c) Building the foundations to serve a RM42.5 billion market by year 2025 for Enterprise System's growth; and
  - d) Information Technology Software and Services segment were forecasted to be a RM20 billion market in year 2020.
- The investment into I.S.A. Technologies Sdn. Bhd. by the Company is expected to bring a positive contribution to the Group's net earnings for year 2019.

After providing the answers and clarifications to the questions from the shareholders, the Chairman declared that the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Reports of the Directors and Auditors thereon, be received.

## 2.0 APPROVAL OF RESOLUTIONS

After providing answers and clarifications to the questions from the shareholders, the Meeting resolved and approved the following resolutions at the Meeting by way of poll:-

**RESOLUTION 1  
DECLARATION OF A SINGLE-TIER FINAL DIVIDEND OF 2.5 SEN PER SHARE IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	No. of Shares Voted	
	No. of Shares	Percentage (%)
<b>In favour</b>	120,358,799	99.996
<b>Against</b>	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

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– cont'd)

**RESOLUTION 2**  
**RE-ELECTION OF MR. SOONG JAN HSUNG WHO RETIRED IN ACCORDANCE WITH ARTICLE 102 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

**RESOLUTION 3**  
**RE-ELECTION OF MS. HO CHEE KIT WHO RETIRED IN ACCORDANCE WITH ARTICLE 102 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

**RESOLUTION 4**  
**RE-ELECTION OF ENCIK AHMAD SUBRI BIN ABDULLAH WHO RETIRED IN ACCORDANCE WITH ARTICLE 102 OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

**RESOLUTION 5**  
**RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING AND AUTHORISATION OF THE DIRECTORS TO FIX THEIR REMUNERATION**

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

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**RESOLUTION 6**  
**SPECIAL BUSINESS:**  
**ORDINARY RESOLUTION NO. 1**  
- RETENTION OF MS. HO CHEE KIT AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

**RESOLUTION 7**  
**SPECIAL BUSINESS:**  
**ORDINARY RESOLUTION NO. 2**  
- RETENTION OF ENCIK AHMAD SUBRI BIN ABDULLAH AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

**RESOLUTION 8**  
**SPECIAL BUSINESS:**  
**ORDINARY RESOLUTION NO. 3**  
- PAYMENT OF DIRECTORS' FEES

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	98,271,599	99.995
Against	5,000	0.005
<b>TOTAL</b>		<b>100.00</b>

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**RESOLUTION 9**  
**SPECIAL BUSINESS:**  
**ORDINARY RESOLUTION NO. 4**  
- PAYMENT OF BENEFITS PAYABLE TO THE DIRECTORS UNDER SECTION 230 OF THE COMPANIES ACT 2016

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	98,271,599	99.995
Against	5,000	0.005
<b>TOTAL</b>		<b>100.00</b>

**RESOLUTION 10**  
**SPECIAL BUSINESS:**  
**ORDINARY RESOLUTION NO. 5**  
- AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

**RESOLUTION 11**  
**SPECIAL BUSINESS:**  
**ORDINARY RESOLUTION NO. 6**  
- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

	No. of Shares Voted	
	No. of Shares	Percentage (%)
In favour	120,358,799	99.996
Against	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

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**RESOLUTION 12**  
**SPECIAL BUSINESS:**  
**SPECIAL RESOLUTION**  
**- PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY**

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	<b>No. of Shares Voted</b>	
	<b>No. of Shares</b>	<b>Percentage (%)</b>
<b>In favour</b>	120,358,799	99.996
<b>Against</b>	5,000	0.004
<b>TOTAL</b>		<b>100.00</b>

**TERMINATION**

The Meeting terminated at 12:00 noon with a vote of thanks to the Chairman.

SIGNED AS A CORRECT RECORD

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FOO SEN CHIN  
CHAIRMAN

Dated: