



VST ECS
VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

DIGITAL CATALYST

ANNUAL REPORT 2021

TO be the leading provider of information & communication technology products and value-added services.

WE strive for sustainable growth to achieve optimum returns to shareholders.

OUR VISION

OUR MISSION

WE shall strive to be a leading provider within Malaysia of reputable, quality computer systems, hardware, software, services and support for our customers.

WE shall conduct business with our valued customers and suppliers with professionalism and integrity.

WE shall have an environment to develop, motivate and reward our employees by providing training and incentives for productivity.

WE shall achieve the profitability for future growth and to give an adequate return to shareholders.

WE shall be good corporate citizens with social responsibilities to our communities.

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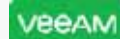
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COVER RATIONALE

The ubiquity of silicon devices has accelerated the technological frontiers in all aspects of life. From hyper scalar processing capacities to high availability services, the advancement of humankind is on an exponential path pushing towards new frontiers in all aspects of life.

CORPORATE PROFILE



VSTECs Berhad (“**VSTECs**”) and its subsidiaries (“**the Group**”) started in 1985 with the establishment of VSTECs KU Sdn. Bhd. Today, the Group is a leading distribution hub for Information and Communication Technology (“**ICT**”) products in Malaysia via VSTECs Astar Sdn. Bhd. and VSTECs Pericomp Sdn. Bhd..

Listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on 15 April 2010, VSTECs is an associate company of VSTECs Holdings (Singapore) Limited, which is one of the leading ICT distributors in Asia Pacific, accessing to a network of more than 25,000 channel partners across China, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Cambodia, Laos and Myanmar. VSTECs Holdings (Singapore) Limited is a wholly-owned subsidiary of VSTECs Holdings Limited listed on the Hong Kong Stock Exchange.

VSTECs distributes a comprehensive range of ICT products comprising notebooks, personal computers (“**PCs**”), smartphones, tablets, printers, software, network and communication infrastructure, servers, and enterprise software from more than 40 leading principals.

With a nationwide channel network of more than 4,600 resellers comprising of retailers, system integrators (“**SI**”) and corporate dealers, VSTECs also provides value-added product support and technical services. For more information, please visit www.vstecs.com.my.

DATA MEGATRENDS

"You cannot manage what you cannot measure."

- Bill Hewlett (Co-founder of HP).

It is also always better to have too much information than not enough of it. With the advent of abundant digital storage, raw data from every imaginable source can now be filtered, sorted and processed into insightful information and guidance for decision-making processes. The dawn of big data analytics and artificial intelligence has brought forth emerging trends that impact the entire fabric of society.



CHAIRMAN'S STATEMENT

LEE MARN FONG @ WU MARN FONG
Non-Independent Non-Executive Chairman

A portrait of Lee Marn Fong, the Non-Independent Non-Executive Chairman, wearing a black blazer over a red top. The background of the portrait is a blurred cityscape at night with light trails.

“ 2021 was filled with triumphs and tribulations. At the time I'm writing this as the newly appointed Chairman, VSTECS has announced a new record of financial performance for the financial year under review, and mourned the passing of our two co-founders, Mr Foo Sen Chin and Dato' Teo Chiang Quan. **”**

CHAIRMAN'S STATEMENT

cont'd

Dear Valued Stakeholders,

Throughout the global pandemic, our first priority was to protect the health, safety and wellbeing of our workforce. During the various lockdown periods, we implemented business-agile operations to ensure that our warehouse and fulfilment centres operated without interruption, with careful headcount management and planned duty rosters that enabled a COVID-resilient and compliant environment with social distancing guidelines. We were well prepared to face this pandemic with our robust Business Continuity Plan (“BCP”) activated immediately, helping us to address the situation quickly. It was remarkable to see all our employees adapting to changes so rapidly, allowing us to continue normal business operations while serving new opportunities arising during this shift to the next normal.

RECORD PERFORMANCE IN FY2021

As we look back, 2021 was a year of remarkable achievements. The Group delivered outstanding performance, driven by strong growth across all three business segments, namely ICT Distribution, Enterprise Systems and ICT Services. We attained a record revenue of RM2.63 billion and net profit of RM55.0 million.

In line with our increased profitability, the Board declared a second interim dividend of 3.7 sen per share and a special dividend of 0.5 sen. Together with the interim cash dividend of 1.5 sen distributed in October 2021, we will be paying a total cash dividend of 5.7 sen per share or an aggregate of RM20.3 million, our highest ever pay-out to shareholders to-date. Creating value for shareholders is one of our priorities. In addition to dividends, we also completed a 1-for-1 bonus issue in August 2021.

OUTLOOK AND PROSPECTS

Daily activities, social interaction, and the way work is performed will continuously be digitalised. Digital strategies are becoming increasingly amplified in policy agendas as we have seen in the Twelfth Malaysian Plan and Budget 2022. Looking ahead to 2022, we are well poised to capitalise on the demand from this acceleration. We will continue to enhance our distribution reach with new channels and to gain market share by serving new segments. Although the long-term effect of the pandemic on the economy remains to be seen, we are in a strong position to weather these challenges moving forward.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

It is more important than ever to keep our sight of the big picture during these trying times. Alongside our improved fiscal performance, we intensified our Corporate Social Responsibility (“CSR”) programmes, providing food aid to frontliners during the height of the pandemic and extended assistance to flood victims in our local community by distributing food packages and household amenities to the affected local communities. We believe in the need to drive a transparent, responsible and inclusive culture to make a sustainable impact. The Sustainability Report set out from pages 65 to 81 comprehensively details our sustainability performance, key highlights and achievements for the year under review.

ACKNOWLEDGEMENTS

I wish to extend our appreciation to the board and management team for their commendable leadership which resulted in us delivering another record performance year. I want to take this opportunity to thank our channel partners and vendors for your unwavering support as we come through this stronger together. To our employees, your talent, commitment and enthusiasm is what drives our success. On behalf of VSTECS, I would also like to extend our sincere gratitude to the frontliners across the nation. Thank you for your sacrifices.

2021 will be remembered as a poignant year, with the passing of our two founders and former chairman of the Group. I want to take a moment to acknowledge their vision, guidance and contributions that have brought the Group to its current standing. Their memory and legacy will always be with us through VSTECS' continued success.

MADAM LEE MARN FONG @ WU MARN FONG

Non-Independent Non-Executive Chairman

CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

SOONG JAN HSUNG

*Executive Director/
Chief Executive Officer*



CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

cont'd

2021: CEO'S OVERVIEW

It has been an extremely challenging environment for the global economy as we weather the uncertainties of a global pandemic that has caused much disruption to the global supply chain. In such times, adaptability and flexibility are of paramount importance to ensure the survival and sustainability of any business.

As the global pandemic continues to persist and morph, we are thankful of medical advancements in 2021 such as vaccine availability, improved medical treatments, and subsequently reduced mortality rates. We are ever hopeful that the world shall eventually emerge from this pandemic in the not-so-distant future. With relaxations on restrictions and borders re-opening, we are entering into a transition into the endemic phase. However, one thing is certain, the last two years have re-set the way we live, work and conduct business interactions. New trends have taken hold, such as remote work, schooling, and the acceleration of e-Commerce adoption. These major shifts to the "next normal" are here to stay and as one of the nation's leading distributor of ICT products, we are well-positioned to catalyse these trends, in driving Malaysia's digital economy with strength and sustainability.

SUMMARY AND OVERVIEW OF THE GROUP'S BUSINESS

VSTECs Berhad, via its wholly-owned subsidiaries ("the Group"), is the leading distributor of ICT products to consumers and enterprises in Malaysia. Founded in 1985, the Group distributes a wide range of ICT products and provide IT services in the form of pre-sales, integration and post-sales in support of the brands we represent. The key activities of our business are the following:

- the marketing, sales and channel management of the brands we carry;
- warehouse facilities and channel logistics to cover nationwide sales; and
- related services in terms of pre-sales system solutioning, post-sales implementation, and warranty support services.

We maintain distributorship agreements with more than 40 brand principals, enabling us to offer comprehensive products and solutions to IT retailers and enterprise System Integrators ("SI").

Our head office and warehouse facilities are situated in Kota Damansara, Petaling Jaya with sales offices located in Pulau Pinang, Kuantan, Johor Bahru, Kuching and Kota Kinabalu. Our channel coverage of more than 4,600 resellers nationwide comprise mainly of IT retailers, SI resellers and corporate dealers. In line with our expanding portfolio of smart consumer-electronics and Internet-of-Things ("IoT") products, we are also supplying products to consumer electronics retailers and electronic lifestyle stores. Our presence in major local e-Commerce platforms is by way of operating the official online Brand Stores to fulfil the online Business-to-Business ("B2B") and Business-to-Consumer ("B2C") coverage on behalf of the brand principals.

We also hold a 40% equity interest in an IT services and software development company, ISATEC Sdn. Bhd. ("ISATEC") serving the enterprise and public sector market segments. Our investment in ISATEC is part of our strategic expansion into the IT Software and Service segments and it is expected to unlock synergies within our expanded group with regards to offering new products and services to serve the greater ICT market.

As at the end of 2021, our Group has 394 employees in which 17% of our work force are technical personnel and solution architects and 55% are in sales and marketing roles.

REVIEW OF FINANCIAL PERFORMANCE

While the financial year ended 31 December 2021 ("FY2021") carried numerous uncertainties with lockdowns spanning from May to July, we navigated it with exceptional success and momentum, delivering a record-breaking performance owing to strong execution.

In FY2021, we achieved a revenue of RM2.63 billion, which translated to a growth of 30.2% as compared to RM2.02 billion in the previous financial year ended 31 December 2020 ("FY2020"). This was driven by the continued digitalisation of daily lives and the urgency of businesses adapting to the future of work. All three of our business segments being ICT Distribution, Enterprise Systems and ICT Services, recorded positive growth. The ICT Distribution segment spearheaded our performance as demand for end-point devices such as notebooks, tablets and printers remain elevated stemming from work-from-home and learn-from-home arrangements during the lockdown period.

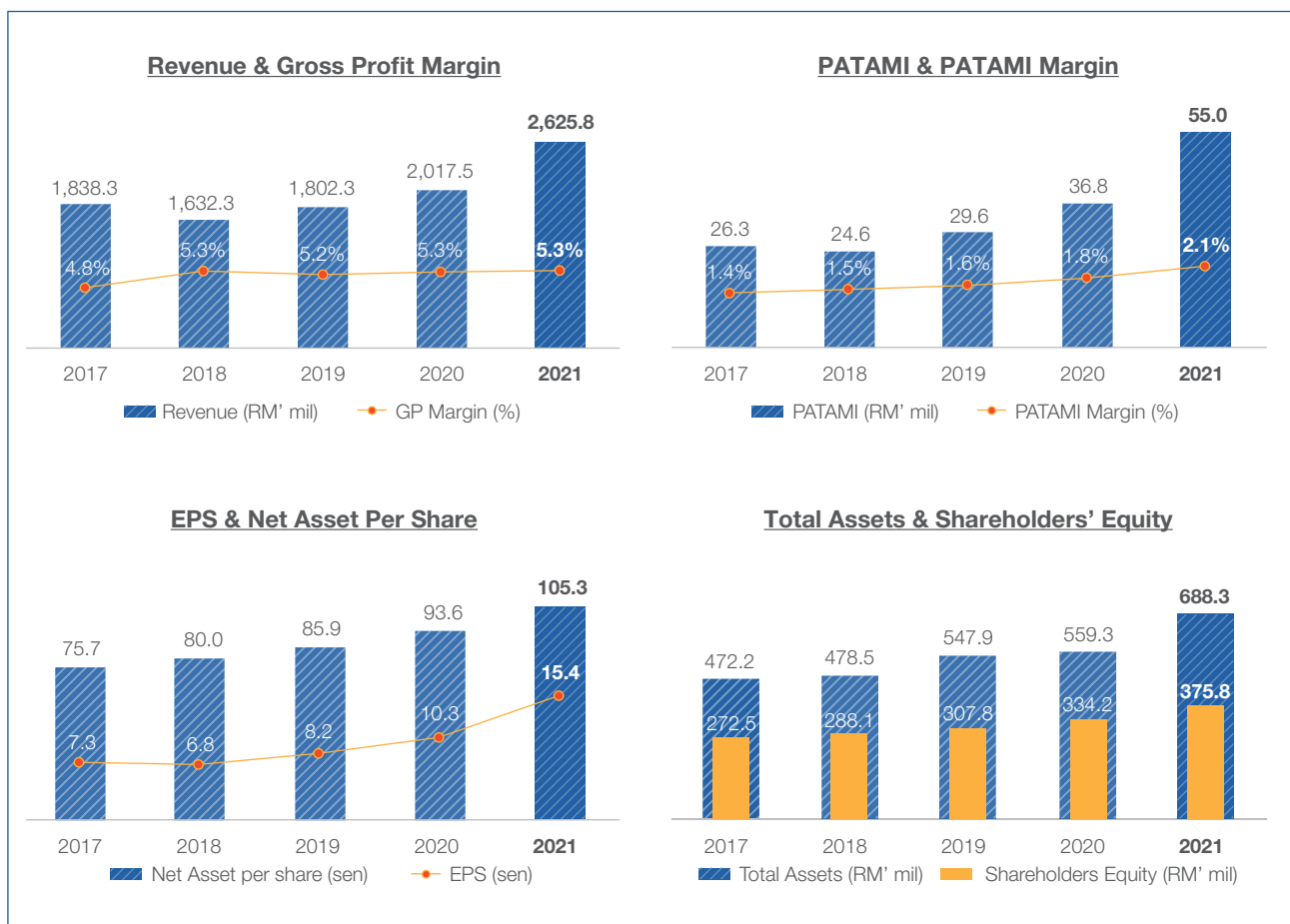
CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

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We registered a gross profit of RM139.4 million, an increase of 31.5% from the previous year. Gross profit margin was maintained at 5.3%. The growth in profit before tax ("PBT") outpaced revenue, increasing by 53.5% to RM74.4 million. Effective tax rate for the year was 26.1% and we wrapped FY2021 with a record profit after tax of RM55.0 million, an increase of 49.5% measured against FY2020. Our 40% associate company, ISATEC, contributed RM2.2 million to our profitability.

Our balance sheet remains healthy with a net cash position of RM68.6 million compared to RM92.9 million in the preceding financial year. Net assets stood at RM375.8 million which translates to NTA per share of RM1.05. As a measure of liquidity, our current ratio at the end of the year was healthy at 2.1 times and we achieved return on equity of 15.5% in FY2021.

Our financial performance in the last 5 years are depicted in the following charts:



CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

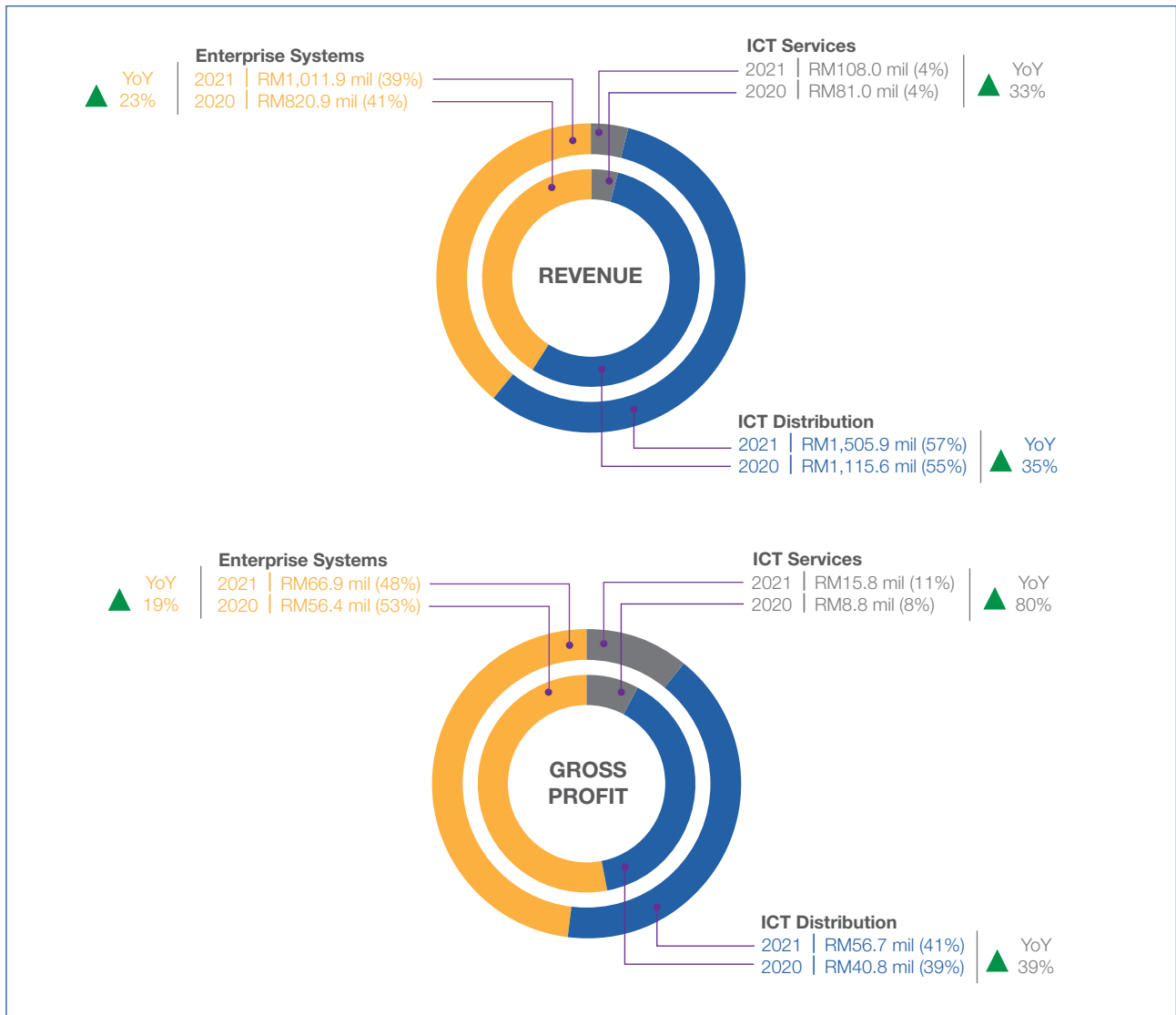
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REVIEW BY BUSINESS SEGMENT

The Group's business segments are as follows:

- i. ICT Distribution : Distribution of consumer ICT products to resellers, comprising mainly of retailers;
- ii. Enterprise Systems : Distribution of commercial and enterprise ICT products to resellers, comprising mainly of SI and corporate dealers; and
- iii. ICT Services : Provision of ICT services

Our revenue and gross profit composition by segment are depicted on the charts below:



CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

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ICT Distribution

Consumer's digital spending continued to accelerate in 2021 and the ICT Distribution segment performed remarkably despite the lockdown restrictions which caused a temporary closure of retailers' physical stores since mid-May up to July 2021. With the shift towards working and learning from home coupled with the extended personal income tax relief of RM2,500 on computer products until the end of 2021, market demand for mobile phone, tablet and notebook PC remained robust during the year.

In FY2021, revenue from ICT Distribution increased by 35.0% as compared to FY2020, to RM1.51 billion. Accordingly, gross profit increased by 38.9% to RM56.7 million. This division accounted for 57.4% and 40.7% of our Group's revenue and gross profit, respectively.

The global semiconductor chip shortage issue has resulted in supply disruption for notebooks and tablets which was further exacerbated by the increased demand for these product segments due to the pandemic. Nowadays, every person in a typical household needs to own multiple devices for school, work and play. Despite widespread and persistent industry supply disruptions, we are shipping almost double the quantity of notebooks and tablets, as compared with pre-pandemic times. Our understanding of market trends, product placement, robust inventory management and efficient control measures have enabled us to deliver a strong performance amid operational challenges.

Having endured the pandemic since 2020, we were better equipped this year to manage the various disruptions caused by the various levels of lockdown severities and duration. Experiencing such momentum during another lockdown year meant taking a critical look at our business and internal operations, to ensure that we were able to manage the increased volumes while prioritising the health and safety of our employees. Some of our key operational changes which were critical to our growth in 2021 included the following:

- Implementation of an efficient Inventory and Warehousing System to augment and replace manual inventory movement and control tasks;
- Enhanced health and safety protocols exceeding the mandated requirements in terms of isolation, contact-tracing and vaccination awareness programs to ensure the protection and safety of every member of the workforce; and
- Bi-weekly RTK testing for warehouse-based employees.

Due to these key initiatives, we were able to process and fulfil a much higher transaction volume, with a much reduced physical manpower presence in our warehouse facilities.

Taking care of our ICT Distribution business meant taking care of our channel partners. Our online B2B portal allowed our retail channel partners to submit orders and remit payment electronically. This enabled our channel partners to obtain stocks seamlessly during the lockdown and minimise business interruptions.

Over the last few years, we have also built our presence in major local e-Commerce platforms and this has positioned us to capitalise on the accelerated shift in demand towards online shopping. As at the end of 2021, we operated fourteen (14) official online brand stores across two major e-Commerce Marketplace platforms and one specific online store directly with our brand principal.

We shall strive to continue growing the ICT Distribution segment by gaining more market share and serving new market segments by means of a strong product mix and enhanced collaboration with our channel partners.

Enterprise Systems

The Enterprise Systems segment continues to be the pillar for future growth as demand for cloud computing and cybersecurity will surge from the pandemic aftermath and we are well positioned to benefit from such opportunities. Both the public sector and commercial enterprises are pushing for digital transformation for improved efficiency, enhanced resiliency and assured continuity to remain relevant in their respective segments. We believe our efforts since 2016 to grow this segment is bearing fruit as we continue to expand this segment which allowed us to finish the year with better profits. We are now at a pivotal moment with massive opportunities as organisations seek to transform traditional offices to the future of a hybrid workplace.

In FY2021, revenue from our Enterprise Systems segment grew 23.3% to exceed the RM1.0 billion milestone for the first time. Gross profit grew by 18.5% to RM66.9 million at the back of higher revenue. During the lockdown, certain projects in the Enterprise Systems segment were affected by temporary delays due to the various lockdown conditions. We also experienced component supply shortages which interfered with project hardware deployment, and we are continuously working with our suppliers to resolve such issues. Despite such challenges, we are optimistic of continued growth in the enterprise segment.

CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

cont'd

In FY2020, we have invested in a dedicated cloud team to provide services to assist our current resellers and software developers to embrace cloud and migrate their applications to cloud. We accelerated the cloud initiatives in FY2021 and announced our appointment as a Microsoft Cloud Solution Provider and Alibaba Cloud Distributor in Malaysia. We have witnessed positive momentum and foresee that the gestation period will be approximately 12 to 18 months for our efforts to translate into profits.

During FY2021, we further bolstered our enterprise offerings to include artificial intelligence, data analytics, IT automation and compliance, just to name a few. This will complement our existing range of products and services and equip us to better serve enterprise clients.

ICT Services

The ICT Services segment contributed RM108.0 million to revenue which was an increase of 33.4% as compared to FY2020. Gross profit grew by 80.1% to RM15.8 million.

In FY2021, our revenue under ICT Services were mostly derived from project implementation stemming from the Enterprise Systems segment. Cloud services will be the key catalyst for the next phase of growth. During the year under review, we worked on building our internal infrastructure and invested into cloud business opportunities to drive cloud adoption and the results thus far are promising. The spike in ICT Services revenue was mainly from deployment of cloud services and we expect this to accelerate moving forward. We are also growing the maintenance and managed services under this segment to increase recurring services revenue and provide further earnings visibility for the Group.

PROSPECTS, FUTURE PLANS & STRATEGIES

ICT Distribution

With the re-opening of schools and offices nationwide, supply shortages have somewhat abated as demand for notebooks and tablets normalised. With this, we have witnessed a reduction in backlog for consumer products from the high of 15 weeks to about 8 weeks at this current juncture.

International Data Corporation (“IDC”) forecasted a growth rate of 1.2% in 2022 on those ICT products that we are representing, as compared with growth of 7.1% in 2021. With the extended personal income tax relief of RM2,500 on computer products until end of 2022, market demand for mobile phone, tablet and notebook PC should remain healthy.

We have identified several drivers in this segment which include e-Commerce trends, exponential increase of demand for 5G enabled devices and a growing market for lifestyle and IoT products. We will strive to maintain our leading position in the ICT Distribution segment to achieve greater reach.

e-Commerce

As a consequence of the pandemic, more businesses are selling online and more consumers are buying online, leading to an acceleration of e-Commerce transactions. Even after the pandemic ends, consumers would have adopted strong online purchasing habits to continue in this manner of buying goods and effecting payment.

E-Commerce channels will continue to play a critical role in connecting with customers to meet their needs for digital technology products and services. We aim to further grow our presence and market share through alternative channels in collaboration with telecommunication (“Telco”) companies, consumer electronics stores and community-specific super-apps. We are on the verge of launching several new and exciting channels to enhance our distribution strength and to drive growth momentum. We will be unveiling these new initiatives in 2022.

Expanding Product Range

In FY2021, Metaverse was the buzzword that could radically change content creation and touted as the next-generation internet powered by virtual reality. Metaverse is slated to help creators make more interactive and immersive content than ever before, with the help of new tools for consumers to experience this alternate reality. This represents another opportunity for the Group, and we are excited to embark on such product offerings in the near future.

CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

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Enterprise Systems and ICT Services

The anticipated infrastructure for 5G, cybersecurity and intelligent transformation will drive growth in the Enterprise Systems segment. Enterprises of all sizes are scaling up on IT systems and services and the RM200.0 million earmarked for SME Digitalisation Grant Scheme will further encourage SMEs to embrace the new normal to remain competitive in today's business environment.

Over the past two years, organisations have significantly accelerated their digital roadmaps, focusing on technologies such as cloud, Artificial Intelligence ("AI") digital infrastructure IoT and cyber security. A recent global IDC study shows that 79% of organisations worldwide have shifted to a digital-first strategy as a result of the pandemic. Looking ahead to 2022, it's clear that digital technologies will continue to play a seminal role in enterprise strategy and success. Every organisation is looking for ways to capitalise on the opportunities presented by the digital economy by leveraging on data to unlock business potential.

During the year, we continued to bolster our offering suite by signing several new distribution agreements for analytics and AI, cloud services and infrastructure, and IT automation. These new distributorships complement our existing range of products and services to better serve our enterprise customers. Both public and private sectors are looking for solutions which are data-driven, automated, and secure across private and multi-cloud environments. We have positioned ourselves well to address these requirements.

Towards the second half of 2021, Telco service providers have commenced their 5G initiatives with hardware acquisition projects and this will garner further momentum in 2022. The Telco sector has always been key to our Enterprise Systems segment business and in 2021, we have invested into more human capital to cover this sector in preparation of 5G related opportunities. The next wave of network transformation will be fuelled by 5G infrastructure requirements and this would be a key driver for the Enterprise Systems segment over the next few years.

AWARD AND ACCOLADES

VSTECs Astar Sdn. Bhd.

1	Hewlett-Packard Enterprise	Hewlett Packard Enterprise FY2021 Top Distributor Award
2		Hewlett Packard Enterprise FY2021 Top Compute Distributor Award
3		Hewlett Packard Enterprise FY2021 Top Pointnext Distributor Award
4	Huawei	IT Strategic Partnership Award FY2020
5		Best Strategic Partner Award (IT) FY2021
6	Nutanix	Malaysia Appreciation for Commitment & Dedicated Support FY2021
7	Microsoft	Managed Partner Global Partner Solutions FY2022
8	ASUS	Top Commercial Notebook Distributor FY2021
9		Top Gaming Notebook Contribution Distributor FY2021

VSTECs Pericomp Sdn. Bhd.

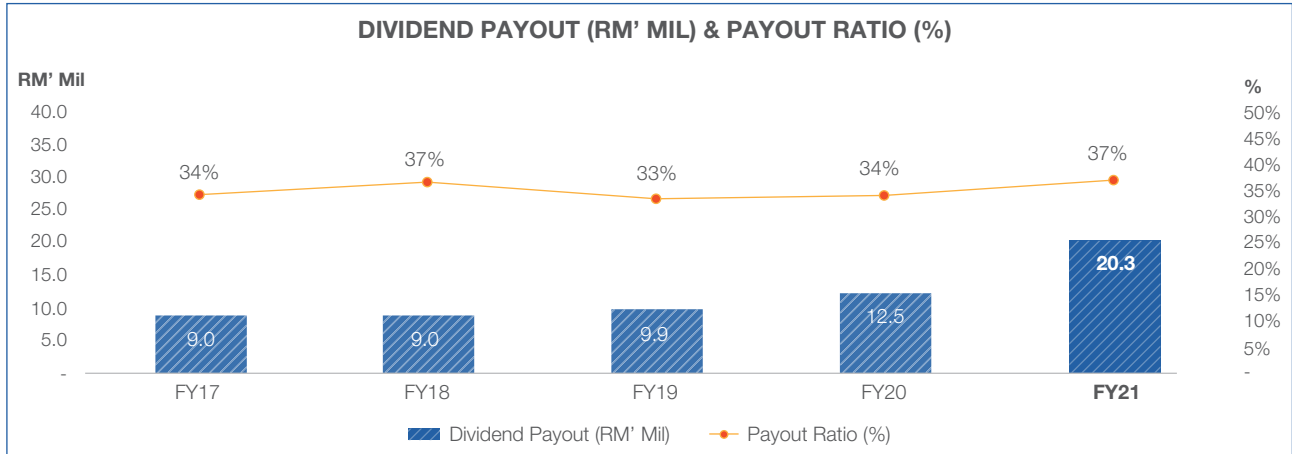
1	Huawei	Excellence Distributor Partner Award FY2021
2		Channel Partner Program: Four-Star Data Communication CSP Program FY2022
3	Veeam	Distributor of the Year Award FY2021
4	IBM	2021 Top Cloud, Data & AI Distributor

DIVIDEND

We are committed to creating long-term value for our shareholders and we have been providing consistent cash returns through the payment of dividends. For the financial year under review, we rewarded shareholders with two interim dividends and a special dividend aggregating to 5.7 sen per share. This translates to a payout ratio of 37%. The Group shall continue to practise distributing a minimum 30% of net profit as dividend to our shareholders. We also completed a one-for-one bonus issue in August 2021 as a further avenue to reward our shareholders on top of cash dividends.

CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

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⁽¹⁾ Based on number of outstanding ordinary shares of 357.0 Mil as at 31.12.2021 after the issuance of 1:1 bonus issue on August 2021.

ANTICIPATED/KNOWN RISKS & MITIGATING PLANS

The main operational risks faced by us are credit default from accounts receivables, inventory holding costs and stock obsolescence. These form the major portion of the total current assets.

The Group therefore places a strong emphasis on policies and monitoring on the following areas:

- Control of credit facilities;
 - o Credit approval,
 - o Debt management and collection,
- Inventory sell-through and stock aging; and
- Cash flow management for working capital.

We are not generally exposed to currency exchange risks as we have a practice of hedging forward our USD-denominated purchases by fixing the currency exchange rates on payment due dates. This practice ensures stability in the costing of our trade purchases irrespective of currency market fluctuations.

We depend on brand principals to supply ICT products that we sell, and the loss of, or a material change in, our business relationship with a major original equipment manufacturer (OEM) supplier could adversely affect our business, financial position and operating results. Accordingly, we would also be affected if we are not able to secure and maintain an adequate supply of products to fulfil our customers' orders on a timely basis.

In our ICT Distribution segment, our transactions with channel partners are on a purchase order basis, rather than long-term agreements or contracts. Consequently, our sales are subject to demand variability and the level and timing of orders placed by our customers vary for a variety of reasons, including seasonal buying by consumers, the introduction of new hardware and software technologies and general economic conditions. Our Enterprise Systems and ICT Services segments counterbalance this risk as enterprise projects typically have longer tenure, creating better earnings visibility.

CONCLUDING STATEMENTS

We are moving into 2022 with continued focus on sustainable growth and execution, building on the momentum on positive returns achieved since our IPO in 2010. The digital agenda is continuously gaining visibility in public policies and was clearly outlined in the Twelfth Malaysia Plan. Digital contribution to Malaysia's GDP is targeted to reach 25.5% by 2025, synonymous with the vision to transform Malaysia into a digitally-enabled and technology-driven high-income nation.

Although we've seen accelerated growth in digital transformation within the past two years, we believe this is still in its infancy with much more to come, providing long-term and sustainable growth potential to our business. I am confident that our position as one of the leading ICT distributors in the nation will allow us to capture the opportunities ahead.

SOONG JAN HSUNG
Chief Executive Officer



EXPONENTIAL ADOPTION

The accelerated adoption of digital transformation is affecting a generational change in the interactions and transactions in all areas of public, private and social spheres of human activity. With universal access to trends and discoveries from global locations, one must constantly strive to keep informed and updated at all times.



BOARD OF DIRECTORS



**LEE MARN FONG @
WU MARN FONG**

*Non-Independent
Non-Executive Chairman*



SOONG JAN HSUNG

*Executive Director/
Chief Executive Officer*



WONG HENG CHONG

*Senior Independent
Non-Executive Director*

BOARD OF DIRECTORS

cont'd



**DATO'
KHOO SIN AIK**

*Independent
Non-Executive Director*

**ABDUL AZIZ BIN
ZAINAL ABIDIN**

*Independent
Non-Executive Director*

**CHERYL KHOR
HUI PENG**

*Independent
Non-Executive Director*

ONG WEI HIAM

*Non-Independent
Non-Executive Director*

PROFILE OF BOARD OF DIRECTORS



LEE MARN FONG @ WU MARN FONG

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Non-Independent Non-Executive Chairman
Malaysian, Female

Date of appointment as Director	:	16 February 2022
Length of service as director since appointment (as at 18 April 2022)	:	0 year 2 months
Board Committee(s) served on	:	Nil
Academic/Professional Qualification(s)	:	Fellowship of the Chartered Institute of Management Accountants (CIMA), United Kingdom Certified Educator for Secondary Education from the Specialist Teachers Training Institute (Ministry of Education)
Present Directorship(s)		
(i) Other Public Listed Companies	:	Nil
(ii) Public Companies	:	Nil
Working experience	:	<p>Madam Lee Marn Fong has more than 25 years of experience in a multinational corporation group of companies with diversified business activities consisting of manufacturing of material handling equipment, engineering projects and services, trading of chemical, pharmaceutical, medical, consumer electronics and communications equipment.</p> <p>Madam Lee's term of service with the multinational group involved in multiple discipline management experiences in Finance, Human Resource, Business Risk, Operational Quality Assurance, Business Restructuring, Enterprise Resource Planning ("ERP") Project implementation and Sustainability Certification programs.</p> <p>Madam Lee is a Fellowship of the Chartered Institute of Management Accountants ("CIMA"), United Kingdom. She is also a Certified Educator for Secondary Education from the Specialist Teachers Training Institute (Ministry of Education) who began her career in the civil service as an educator for secondary level education prior to entering the private sector.</p> <p>Since 2008, Madam Lee has been an Advisor to VSTECS group of companies in business process engineering in the support of business goals and continuous improvement of operational and administrative functions.</p> <p>She is a substantial shareholder of VSTECS Berhad through her substantial shareholdings in Sengin Sdn. Bhd. and the shareholdings of her child and spouse, late Mr. Foo Sen Chin, the Co-founder and the former Non-Independent Non-Executive Chairman of VSTECS Berhad.</p>
Time Committed	:	Not applicable

PROFILE OF BOARD OF DIRECTORS

cont'd

SOONG JAN HSUNG

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Executive Director/Chief Executive Officer
Malaysian, Male

Date of appointment as Director	:	21 February 1997
Length of service as director since listing on 15 April 2010 (as at 18 April 2022)	:	12 years 0 month
Board Committee(s) served on	:	Nil
Academic/Professional Qualification(s)	:	Bachelor of Science (Honours) majoring in Mathematics from the University of Malaya in 1987
Present Directorship(s)		
(i) Other Public Listed Companies	:	Nil
(ii) Public Companies	:	Nil
Working experience	:	<p>Soong began his career as a Sales Executive with VSTECS Pericomp Sdn. Bhd. in 1987. During the next seven years, Soong's hard work and dedication led to several promotions in sales and marketing position to become the General Manager in 1994. Soong was promoted to Executive Director in 2001 and was appointed as a Deputy Chief Executive Officer of VSTECS Berhad on 1 January 2014. Subsequently, Soong has been promoted to Executive Director/Chief Executive Officer of VSTECS Berhad with effect from 1 January 2015 to lead and manage the Group, in conjunction with the elevation of the late Mr. Foo Sen Chin as the Executive Chairman of the Board.</p> <p>Soong has more than 30 years of experience in the ICT distribution market. He is also an Executive Director of the subsidiary companies, namely, VSTECS Pericomp Sdn. Bhd., VSTECS Astar Sdn. Bhd., VSTECS KU Sdn. Bhd. and VSTECS Kush Sdn. Bhd.. Soong has been primarily responsible for the development of new sales and marketing strategies as well as the ICT product distribution and enterprise systems operations in VSTECS Pericomp Sdn. Bhd. and VSTECS Astar Sdn. Bhd..</p> <p>Soong has contributed significantly to the Group in becoming the leading ICT hub in Malaysia.</p>
Time Committed	:	Soong attended all the 4 Board Meetings.
Sustainability Governance Initiative:-		
Management Committee(s) served on	:	Sustainability Committee Chairman; and Enterprise Risk Management Committee Chairman

PROFILE OF BOARD OF DIRECTORS

cont'd



WONG HENG CHONG

71

Senior Independent Non-Executive Director
Malaysian, Male

Date of appointment as Director	:	17 December 2009
Length of service as director since listing on 15 April 2010 (Tenure including the position as Non-Independent Non-Executive Director) (as at 18 April 2022)	:	12 years 0 month
Length of service as director since re-designation as Independent Non-Executive Director on 8 August 2012 (as at 18 April 2022)	:	9 years 8 months
Board Committee(s) served on	:	Chairman of the Nominating Committee; and Member of the Audit Committee
Academic/Professional Qualification(s)	:	Chartered Accountant:- Chartered Accountants Australia and New Zealand; and Malaysian Institute of Accountants. Diploma in Management Studies from University of Chicago Graduate School of Business
Present Directorship(s)		
(i) Other Public Listed Companies	:	Nil
(ii) Public Companies	:	Nil
Working experience	:	Wong began his working career in Coopers & Lybrand in Australia and in Malaysia. He had previously served as an Executive Director of VSTECS Holdings (Singapore) Limited, Boustead Singapore Limited, QAF Limited and Sunshine Allied Investments Limited. His working experience during the last 40 years spanned over diverse industries including Information Technology, engineering, food-manufacturing, retail and wholesale, trading and auditing. He has been re-designated from Non-Independent Non-Executive Director to Independent Non-Executive Director on 8 August 2012 and subsequently, Wong has been re-designated from Independent Non-Executive Director to Senior Non-Independent Director on 16 June 2020.
Time Committed	:	Wong attended all the 4 Board Meetings.

PROFILE OF BOARD OF DIRECTORS

cont'd

DATO' KHOO SIN AIK

60

Independent Non-Executive Director
Malaysian, Male



Date of appointment as Director	:	1 January 2020
Length of service as director since appointment (as at 18 April 2022)	:	2 years 3 months
Board Committee(s) served on	:	Chairman of Remuneration Committee; and Member of Nominating Committee
Academic/Professional Qualification(s)	:	Diploma in Business Administration from Business School University of Hull, United Kingdom
Present Directorship(s)		
(i) Other Public Listed Companies	:	Nil
(ii) Public Companies	:	Nil
Working experience	:	Dato' Khoo is presently a Chairman Emeritus of World Information Technology and Services Alliance ("WITSA") and a Member of the Board of FPT Corporation (Vietnam). Dato' Khoo has more than 30 years of experience in the Information Technology industry. He has served in various capacities in public and private sector organisations such as The National Tech Association of Malaysia (PIKOM) (Chairman from 1995 to 1997), Patimas Computers Bhd. (Executive Director from 1996 to 1998), Malaysia Digital Economy Corporation Sdn. Bhd. (MDEC) (Vice President of Corporate Strategy from 2006 to 2015), WCIT 2008 Sdn. Bhd. (CEO from 2006 to 2008) and WITSA (Chairman of the Board from 2008 to 2012). Dato' Khoo was the President and Chief Executive Officer of MDEC Americas Inc. (Silicon Valley) from 2015 to 2019.
Time Committed	:	Dato' Khoo attended all the 4 Board Meetings.

PROFILE OF BOARD OF DIRECTORS

cont'd



ABDUL AZIZ BIN ZAINAL ABIDIN

63

Independent Non-Executive Director
Malaysian, Male

Date of appointment as Director	: 1 January 2020
Length of service as director since appointment (as at 18 April 2022)	: 2 years 3 months
Board Committee(s) served on	: Chairman of Audit Committee; and Member of Remuneration Committee
Academic/Professional Qualification(s)	: Certificate of Insurance from MARA Institute of Technology ("ITM"); and Fellowship of the Malaysian Insurance Institute
Present Directorship(s)	
(i) Other Public Listed Companies	: Nil
(ii) Public Companies	: Islamic Banking & Finance Institute Malaysia; and Progressive Insurance Berhad
Working experience	: Abdul Aziz has more than 35 years of experience in the Insurance industry and holds a Fellowship of the Malaysian Insurance Institute ("FMII"). Abdul Aziz was formerly the Chief Executive Officer and a member of the Board of Directors of Sime Darby Lockton Insurance Brokers Sdn. Bhd.. Prior to joining Sime Darby Lockton Insurance Brokers Sdn. Bhd., Abdul Aziz was the Marketing Director of Asia Capital Reinsurance, Malaysia from 2008 to 2012. He was also the Deputy Chairman of Malaysian Insurance Takaful Brokers Association ("MITBA"). Abdul Aziz began his career with Tugu Insurance, Malaysia in 1977. He joined Tokio Marine and Fire Insurance as Head of Reinsurance Department handling treaty reinsurance program and facultative reinsurance and had his training in Tokyo, Japan. Currently, Abdul Aziz is the Director of Islamic Banking & Finance Institute Malaysia ("IBFIM").
Time Committed	: Abdul Aziz attended all the 4 Board Meetings.

PROFILE OF BOARD OF DIRECTORS

cont'd

CHERYL KHOR HUI PENG

47

Independent Non-Executive Director
Malaysian, Female



Date of appointment as Director	:	1 June 2021
Length of service as director since appointment (as at 18 April 2022)	:	0 year 9 months
Board Committee(s) served on	:	Member of Audit Committee; and Member of Remuneration Committee
Academic/Professional Qualification(s)	:	Bachelor Degree in Mathematics from Universiti Putra Malaysia; Member of Malaysian Institute of Accountants; and Member of Malaysian Institute of Certified Public Accountants
Present Directorship(s)		
(i) Other Public Listed Companies	:	Alliance Bank Malaysia Berhad; Hong Leong Industries Berhad; and Kuala Lumpur Kepong Berhad
(ii) Public Companies	:	Chubb Insurance Malaysia Berhad
Working experience	:	<p>Cheryl has more than 24 years of experience covering financial, operational and internal audits as well as governance, controls, sustainability, internal audit and risk assessments for many clients across a broad range of industries.</p> <p>Cheryl began her career in 1998 as a financial auditor and chartered accountant at Ernst & Young Advisory Services Sdn. Bhd.. Cheryl diversified her skill sets and breadth of experience when she joined Deloitte in 2013 where she led the Risk Advisory practice, complementing her chartered accountant experience with sustainability, governance and risk expertise. She was appointed as its Managing Director in 2014 and held the position until 2021. Whilst in Deloitte, she held numerous leadership positions culminating her career as the Asia Pacific Accounting and Internal Control Leader and was also a member of the Deloitte South East Asia Board of Directors.</p> <p>Currently, Cheryl serves as an Independent Non-Executive Director of Alliance Bank Malaysia Berhad, Hong Leong Industries Berhad and Kuala Lumpur Kepong Berhad, all of which are listed on Bursa Malaysia. She is also a Director of Chubb Insurance Malaysia Berhad, a public company.</p> <p>Cheryl is also a Fellow Member and Faculty of the Institute of Corporate Directors Malaysia where she conducts training for directors on various board and governance topics across all industries.</p>
Time Committed	:	Cheryl Khor attended all the 2 Board Meetings

PROFILE OF BOARD OF DIRECTORS

cont'd



ONG WEI HIAM

50

Non-Independent Non-Executive Director
Malaysian, Male

Date of appointment as Director	:	4 June 2013
Length of service as director since appointment (as at 18 April 2022)	:	8 years 10 months
Board Committee(s) served on	:	Member of the Audit Committee; and Member of the Nominating Committee
Academic/Professional Qualification(s)	:	Bachelor Degree in Economics from University College London; Master Degree in Analysis, Design & Management of Information Systems from London School of Economics and Political Science; Fellow of the Hong Kong Institute of Certified Public Accountants; and Fellow of Institute of Chartered Accountants in England and Wales
Present Directorship(s)		
(i) Other Public Listed Companies	:	Nil
(ii) Public Companies	:	VSTECS Holdings Limited (Listed on the Stock Exchange of Hong Kong)
Working experience	:	Ong was appointed as the Group Chief Executive Officer of VSTECS Holdings (Singapore) Limited on 1 January 2013 and was appointed as an Executive Director of VSTECS Holdings (Singapore) Limited on 16 April 2012. Ong is concurrently the Group Chief Financial Officer and Executive Director of VSTECS Holdings Limited, the parent company of VSTECS Holdings (Singapore) Limited.
Time Committed	:	Ong attended all the 4 Board Meetings.

Notes:-

Save as disclosed above, none of the Directors has:-

- any family relationship with any Director and/or major shareholder of the Company;
- any conflict of interest with the Company;
- any conviction for offences (other than traffic offences) within the past five (5) years; and
- any particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF SENIOR MANAGEMENT TEAM

SOONG JAN HSUNG

58 Years, Malaysian, Male

Executive Director/Chief Executive Officer

Sustainability Committee Chairman

Compliance Committee Member

For the profile of Soong, please refer to page 21 of this Annual Report.



TEE ANG KUAN

60 Years, Malaysian, Male

Group General Manager

Sustainability Committee Member

Compliance Committee Member

Tee was promoted to Group General Manager in 2015 in-charge of the overall distribution and services businesses of the Group. Previously, he was the General Manager of VSTECS Astar Sdn. Bhd. overseeing operations, namely, the design and development of business and marketing strategies, marketing and distribution of our ICT products, and sales staff management.

Tee graduated with Bachelors of Art (Honours) majoring in Economics from the University of Malaya in 1985. After graduation, he began his career with a computer company in sales line. From 1986 to 1995, Tee worked with several ICT distributors in the sales and marketing of ICT products, such as notebook and desktop PCs, printers and software. In 1996, he joined VSTECS Astar Sdn. Bhd. as a Business Manager and was promoted to General Manager in 1999. He has over 30 years of experience in the ICT distribution market. With his experience and knowledge, he has contributed significantly to the growth of the Group.



PROFILE OF SENIOR MANAGEMENT TEAM

cont'd

CHAN PUAY CHAI

*55 Years, Malaysian, Male
Chief Financial Officer*

*Compliance Committee Chairman
Sustainability Committee Member*

Chan was promoted to Chief Financial Officer of the Group in 2016 in-charge of financial planning and control, financial compliances, credit management, risk management, and other financial and management related functions. He is an Associate Member of the Chartered Institute of Management Accountants (U.K.) and a registered Accountant with the Malaysian Institute of Accountants.

His past experiences include review of accounting systems, implementation of computerisation, management accounting, budgeting, corporate exercise, financial analysis and its related functions. In 1995, Chan joined VSTECS Kush Sdn. Bhd. as a Finance Manager and was promoted to Financial Controller in 2005. He has been with the Group for 26 years. With his vast experience in ICT industry and financial management, he has contributed significantly to the success of the Group.



CHUAH KEE HENG

*53 Years, Malaysian, Male
General Manager of VSTECS Astar Sdn. Bhd.*

Sustainability Committee Member

Chuah was appointed as General Manager of VSTECS Astar Sdn. Bhd. in 2016 in-charge of the operations, namely, the design and development of business and marketing strategies, marketing and distribution of our ICT products, and sales staff management.

He graduated with a Degree in Business Administration from Upper IOWA University, USA in 1998. From 1991 to 2016, Chuah worked with several ICT distributors and players in the ICT industry before joining the Group in mid-2016. With his vast experience in ICT industry, he will contribute significantly to the success of our Group.



LI CHIN YEO

*48 Years, Malaysian, Male
General Manager of VSTECS Pericomp Sdn. Bhd.*

Sustainability Committee Member

Li was promoted to General Manager of VSTECS Pericomp Sdn. Bhd. in 2018 in-charge of the operations, namely, the design and development of business and marketing strategies, marketing and distribution of our ICT products, and sales staff management. Previously, he was the Assistant General Manager in VSTECS Pericomp Sdn. Bhd..

He graduated with a Bachelor of Commerce from University Of Wollongong, Australia, in 1999. In 2002, he joined VSTECS Pericomp Sdn. Bhd. as Support Executive and subsequently promoted to Technology Specialist in 2003, Assistant Business Development Manager in 2006, Business Development Manager in 2007, Product Manager in 2008 and Senior Manager (Sales) in 2012.



PROFILE OF SENIOR MANAGEMENT TEAM

cont'd

FOO LEK CHOONG

*46 Years, Malaysian, Male
Chief Information Officer*

*Compliance Committee Member
Sustainability Committee Member*

Foo is the Chief Information Officer of the Group responsible for the overall IT strategy and technology implementations within the Group. A graduate from Cornell University in 1998 with a degree in Electrical Engineering, he brings a combined 23 years of experience in systems Integration of LAN/WAN systems in the ICT industry and market engagement strategies including product development, management and product life-cycle evolution in a national Tier-1 Telco/ISP environment. In his previous roles in the Telco industry, his responsibilities included partnership and alliance management, engagement in analysis and strategic direction of corporate strategy and various market engagement strategies. Foo's experience extends to product development, management, and service life-cycle sustenance with in-depth experience relating to wired and wireless broadband access services.

Within VSTECs, he drives the Group's ICT strategy including Enterprise Resource Planning ("ERP") systems and real-time business intelligence and information management. In line with the Group's sustainability strategies, Foo plays an active role in corporate strategy and has undertaken several strategic initiatives including the recent investment into the Group's associate, ISATEC Sdn. Bhd..

Foo is the son of the Non-Independent Non-Executive Chairman, Madam Lee Marn Fong and late Mr. Foo Sen Chin, the Co-founder and the former Non-Independent Non-Executive Chairman.



Notes:-

Save as disclosed above, none of the Senior Management has:-

- (a) any other directorship in public companies and listed issuers;
- (b) any family relationship with any Director and/or major shareholder of the Company;
- (c) any conflict of interest with the Company; and
- (d) any conviction of offences (other than traffic offences) within the past five (5) years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Notes 2:-

- (a) **Compliance Committee** – Including Anti-Bribery and Corruption Compliance Committee & Internal Operational Policies Compliance; and
- (b) **Sustainability Committee** – Including Enterprise Risk Management Committee, Environmental, Social and Governance Committee and Health and Safety Committee (Refer to Sustainability Governance Structure in Page 66 - The ESG structure is headed by the CEO and supported by the Environmental, Social and Governance Committee ("ESGC") and Health and Safety Committee ("HSC").).

PROFILE OF MANAGEMENT TEAM

Yap is the Assistant General Manager of VSTECS KU Sdn. Bhd. in-charge of the operations, design and development of business and marketing strategies and sales staff management. He graduated with a Degree Bachelor of Science (Hons) in IT & Computing System from Staffordshire University, England in 2003.

He began his working career in VSTECS Pericomp Sdn. Bhd. since 2008 as a Product Manager and was promoted to Senior Manager in early 2012 in managing overall marketing and strategies for System Infrastructure division. In 2017, he was transferred to VSTECS Astar Sdn. Bhd. to lead the enterprise business development team. On 1 September 2018, he was appointed as Senior Services Manager of VSTECS KU Sdn. Bhd. responsible for the overall ICT sales and services and was promoted to Assistant General Manager in 2021.



YAP SIEW KEE

*41 Years, Malaysian, Male
Assistant General Manager of
VSTECS KU Sdn. Bhd.*

Sustainability Committee Member

Yee is the Human Resource Manager of the Group responsible for the Human Resource management. She graduated with an Advanced Diploma in Business Administration from Stamford College in 2001 and a Diploma in Human Resource Management from Malaysia Institute of Human Resource Management in 2004.

In 1994, she joined a local Bank as a Personal Assistant and was subsequently promoted to Human Resource Officer in 1997. In 2002, she joined a multinational company as an Associate Officer assisting in all HR matters. In 2009, she joined a computer company as a Human Resource & Administration Manager prior joining VSTECS Kush Sdn. Bhd. as a Human Resource Manager in 2014.



YEE CHEE YOON

*48 Years, Malaysian, Female
Human Resource Manager*

Sustainability Committee Member

Chai is the Inventory Manager of the Group since 1 October 2017 and she is responsible for the entire Inventory management of the Group. She holds a Diploma in Business Administration.

In 1997, she joined VSTECS Pericomp Sdn. Bhd. as sales coordinator. She joined VSTECS Astar Sdn. Bhd. in 1998 and was promoted to Order Processing Administrator in 1999, Order Processing Executive in 2006 and subsequently promoted as Senior Order Processing Executive in 2009. In year 2015, she was transferred to VSTECS Kush Sdn. Bhd. as Assistant Inventory Manager and promoted as Inventory Manager in 2017.



CHAI MEIW CHENG

*48 Years, Malaysian, Female
Inventory Manager*

Sustainability Committee Member

PROFILE OF MANAGEMENT TEAM

cont'd

Lai is the Senior Manager of VSTECS Astar Sdn. Bhd. since year 2020, responsible for the development and implementation of product and marketing strategies consistent with the Group's vision.

She graduated with a Diploma in LCCI (London Chamber of Commerce & Industry) Accounting from Systematic Institute of Information Technology in 1996. She began her working career in VSTECS Astar Sdn. Bhd. as a Senior Sales Executive since 2006 and was promoted to Sales Manager in 2007. In 2021, Lai was appointed as Senior Sales Manager.



LAI YOKE KEAN

46 Years, Malaysian, Female

*Senior Manager
(Product & Marketing – Consumer)*

See is the Logistics Manager responsible for the overall warehouse and logistics operations and management of the Group. He graduated from INTI International University and Colleges, Malaysia with Diploma in Electrical Engineering in year 1996.

See was promoted to Logistics Manager in 2018. He has more than 10 years of experience in warehouse and logistics management. Prior to joining VSTECS Kush Sdn. Bhd. in 2015 as Assistant Logistics Manager, See joined several multinational companies as Assistant Logistics Manager in charge of warehouse and logistics management. He represented Malaysia via a multinational logistics company and was nominated as "High Achiever" in Regional System and Process Improvement in Taiwan.



SEE CHEE SENG

45 Years, Malaysian, Male

*Logistics Manager
Sustainability Committee Member*