



**VST ECS**

**VSTECS BERHAD**

[Registration No: 199501021835 (351038-H)]



# *Leading* **HORIZONS**

ANNUAL REPORT **2023**

## OUR VISION

**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 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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## COVER RATIONALE



# Leading HORIZONS

The Group strives to approach 2024 with added focus on new market opportunities and business segments. Our stable foundations provide us greater impetus to explore and expand on our existing core competencies while venturing into synergistic collaboration and new partnerships.

## CORPORATE PROFILE

VSTECs Berhad (“**VSTECs**” or the “**Company**”) 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.. In addition to its established distribution capabilities, VSTECs serves enterprise clients and provides ICT services.

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 to both the retail and enterprise market 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 3,600 resellers comprising of retailers, system integrators (“**SI**”) and corporate dealers, VSTECs also provides value-added product support and technical services. Additionally, the Group’s ICT services capability extend to pre-sales, solutioning, and post-sales support in alignment with the brands we represent. For more information, please visit [www.vstecs.com.my](http://www.vstecs.com.my).





# ***LEADING CHANNEL CATALYST***

The acceleration of new frontiers in artificial intelligence and transparent information enabled by ever increasing computing abilities and seamless connectivity truly puts the power of creativity in the hands of people. We at VSTECS are proud to be the channel catalyst and enabler in bringing such technologies to serve the nation's needs.



# CHAIRMAN'S STATEMENT

“

*Dear Shareholders,*

*I am honoured to present VSTECS Berhad's Annual Report, showcasing the financial achievements and strategic developments throughout the financial year ended 31st December 2023 ("FYE 2023"). While the technology sector faced ongoing dynamic shifts, our unwavering commitment to excellence yielded record-breaking profits and solidified our market position.*

”

**MADAM LEE MARN FONG**  
**@ WU MARN FONG**

*Non-Independent Non-Executive Chairman*





# CHAIRMAN'S STATEMENT

cont'd

## FINANCIAL PERFORMANCE

In FYE 2023, VSTECs Berhad (“**VSTECs**” or the “**Company**”) continued to thrive, achieving record financial milestones. Despite the challenges posed by subdued consumer spending, particularly affecting the ICT Distribution segment, our Company showcased resilience achieving a noteworthy increase in profit after tax and minority interest of 13.0% to RM67.4 million. While FYE 2023’s revenue declined by 1.6% year-on-year, strategic efforts undertaken by our Management team, particularly in the Enterprise Systems and ICT Services segments, served to increase margins resulting in increased overall profits.

To reward our valued shareholders for their support, the Board of Directors (“**Board**”) has declared a second interim dividend of 4.1 sen per share. Combined with the first interim cash dividend of 2.5 sen distributed earlier in the year, the Company has declared a total cash dividend of 6.6 sen per share representing a payout ratio of 35%. Of note, the total dividend distribution for FYE 2023 will be RM23.5 million representing the Company’s highest-ever total payout to date - an accomplishment that Management and the team are extremely proud of.

## OUTLOOK AND PROSPECTS

For almost four decades, VSTECs and its subsidiaries (the “**VSTECs Group**”) has been one of the cornerstones of the Information and Communication Technology (“**ICT**”) industry, spearheading the digital evolution across Malaysia. Reflecting on our legacy, we recognise that our progress has been defined by adaptability, innovation, and a steadfast dedication in delivering the best value to the market.

As we look ahead, the VSTECs Group is poised at the forefront of Malaysia’s dynamic digitalisation journey. The rapid acceleration of digital transformation across various sectors presents an array of opportunities and challenges. It is our enduring commitment to excellence which empowers us to navigate this evolving landscape with confidence and foresight.

By embracing emerging technologies, fostering strategic partnerships, and staying attuned to market dynamics, we are well-equipped to not only meet but exceed the evolving needs of our customers and partners. Our focus remains steadfast on delivering cutting-edge technology solutions to Malaysia, contributing significantly to the nation’s technological advancement and increasing its global competitiveness.

In the face of the ever-changing digital landscape, our long-term vision extends beyond immediate success. Our sustained growth trajectory is not just a reflection of our past achievements but a testament to our adaptability and proactive approach in anticipating and serving the nation’s ICT requirements. Our mission is not just about meeting the current demands but anticipating and enabling the nation’s digital transformation journey.

## CORPORATE GOVERNANCE AND SUSTAINABILITY

VSTECs reaffirms its unwavering dedication to the principles of corporate governance and sustainability, recognising them as core elements that extend beyond compliance and risk management but critical pillars for the Company’s long-term goals. These principles are deeply ingrained in our organisational DNA, serving as the bedrock upon which we build our value systems for our business, stakeholders, and the communities we operate in.

In our steadfast pursuit of corporate governance excellence, VSTECs places an emphasis on transparency, accountability, and ethical conduct. We believe that fostering a corporate culture steeped in these values not only ensures regulatory compliance but also establishes a robust framework for responsible decision-making and sustainable growth. Our commitment to these principles serves as a guiding force, creating a resilient foundation that withstands the challenges of a dynamic business environment.

To provide stakeholders with comprehensive insights into our sustainability endeavors, our Sustainability Statement, accessible from pages 78 to 105, meticulously outlines our performance, key highlights, and notable achievements throughout the year under review. This statement serves as a transparent documentation of our progress, allowing stakeholders to evaluate the tangible impact of our sustainability initiatives.

## CONCLUSIONS AND COMMENDATIONS

The culmination of our achievements is a testament to the collective dedication and hard work exhibited by our remarkable employees, whose unwavering resilience has been a true source of inspiration. I extend my sincerest appreciation and thanks to each and every team member for their invaluable contributions to our shared success.

I would like to express gratitude to the Board, our Senior Leadership and management teams for their exceptional leadership, which has played a pivotal role in steering us towards new heights. To our esteemed principals, channel partners, vendors, and investors, your trust in VSTECs holds immense significance for us and your continued support warrants our utmost gratitude. Rest assured, we remain steadfast in our commitment to delivering consistent returns, fostering sustainable growth, and creating value for all stakeholders in the years that lie ahead.

Last but not the least, on behalf of the Board, I would like to express our gratitude to Mr. Wong Heng Chong, one of our founding Board member who has retired in 2023 after serving for 13 years since our IPO in 2010. Your contribution has made us a part of what we are today, and we will always cherish your efforts and energy given to this organisation.

I would also like to extend a warm welcome to Madam Josephine Phan Su Han who has joined our Board as an Independent Non-Executive Director on 15 June 2023. We look forward to your advice and guidance as a member of our Board.

**MADAM LEE MARN FONG @ WU MARN FONG**

*Non-Independent Non-Executive Chairman*

# CEO'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

“

*2023 was a year of dynamic change and accelerated transformation. Unwavering in our pursuit of staying at the forefront of the digital revolution, we adopted a “Leading Horizons” mindset, one that permeates our approach to both challenges and opportunities. Despite a challenging market, we are proud to report record profits – a testament to our people’s unwavering resilience and adaptability in challenging times.*

”

**SOONG JAN HSUNG**

*Executive Director/Chief Executive Officer*



# CEO'S STATEMENT MANAGEMENT DISCUSSION & ANALYSIS

cont'd

## 1. CEO'S FOREWORD

The theme for VSTECS Berhad's 2023 Annual Report is "Leading Horizons," reflecting our ongoing journey in a rapidly evolving technological landscape. It embodies our commitment to not only embrace the limitless possibilities of the digital era but also to actively shape them.

Throughout this Management Discussion & Analysis, we invite you to explore the key initiatives, achievements, and forward-looking strategies that highlights our voyage through the digital frontier. Our dedication to sustainable growth, technological excellence, and stakeholder value creation remains as strong as ever. Together, we aim to chart new endeavours and achievements in the ICT industry.

## 2. SUMMARY AND OVERVIEW OF THE GROUP'S BUSINESS

VSTECS Berhad ("**VSTECS**" or the "**Company**"), 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 provides IT services in the form of pre-sales, solutioning, and post-sales in support of the brands we represent. Our three business segments are ICT Distribution, Enterprise Systems Solutioning, and ICT Services. 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 solutions and post-sales and warranty support.

We maintain distributorship agreements with more than 40 brand principals, enabling us to offer comprehensive products and solutions to IT retailers, resellers 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. As the leading distributor of ICT products, we have established, through our reseller channel, a broad customer base ranging from individual retailers, small and medium enterprises to large SI's that serve corporations and government entities over the past 38 years. Our channel coverage of over 3,600 resellers nationwide comprises mainly IT retailers, Enterprise SIs and corporate resellers. 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 B2B and B2C coverage on behalf of the brand vendors/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 is expected to unlock synergies within our expanded group with regard to offering new products and services to serve the more significant ICT market.

As at the end of 2023, our Group has 410 employees of which approximately 20% of our workforce are technical personnel and solution architects and approximately 50% are in sales and marketing roles.

# CEO'S STATEMENT

## MANAGEMENT DISCUSSION & ANALYSIS

cont'd

### 3. OVERVIEW OF GROUP FINANCIAL PERFORMANCE

We achieved new heights and recorded our best performance in the financial year ended 31 December 2023 (“**FYE 2023**”). For FYE 2023, the Group posted revenue of RM2.73 billion which was slightly below the revenue of RM2.77 billion in the previous financial year ended 31 December 2022 (“**FYE 2022**”). The Enterprise Systems and ICT Services segments continued to perform admirably, driven by the market's positive investment in digital transformation and ICT infrastructure expansion.

We registered a gross profit of RM153.9 million, an increase of 2.7% from the previous year. With the enterprise business providing a higher contribution, the gross profit margin increased slightly to 5.6%. The growth in profit before tax (“**PBT**”) traced gross profit, rising by 3.4% to RM82.8 million. Despite the challenging economic sentiments in 2023, VSTECS achieved a 13.0% increase in net profit to RM67.4 million, its highest achievement to-date, versus RM59.7 million in FYE 2022. Our 40% associate company, ISATEC, contributed RM2.7 million to our profitability.

#### Liquidity and Financial Resources

The Group continued to generate healthy cash inflow from operating activities amounting to RM107.6 million, ending the year with a net cash position of RM111.6 million and a gross gearing ratio of 0.09 times. Net assets stood at RM456.4 million, translating to NTA per share of RM1.28. As a measure of liquidity, our current ratio at the end of the year was healthy at 2.10 times, and we achieved a return on equity of 15.5% in FYE 2023.

#### Financial and Credit Risk Management

We have long-established practices and credit policies to ensure an optimised mode of credit control and monitoring of our receivables. We also actively engage with our debtors to implement credit facilitation prudently and responsibly. As of 31 December 2023, the Group has a net positive cash position. Credit and fraud risks are governed by operational policies of credit eligibility assessment and system-embedded controls, including the risk of fraud and potential credit defaults.

As of FYE 2023, our impairment allowance on trade receivables of RM2.1 million amounted to 0.08% against revenue of RM2.73 billion.

As at 31 December RM '000	2023	2022	2021
Trade Receivables	381,785	347,707	336,388
Impairment Loss	(2,103)	(763)	(691)
Impairment % on Receivables	0.55%	0.22%	0.21%

#### Inventory Management

As a distributor of numerous global ICT brands, we constantly manage inventory requirements and stock obsolescence risks. We continuously monitor and review product stocking levels as part of our business operations, balancing anticipation of new market trends with quick reactions to changes in existing consumption patterns.

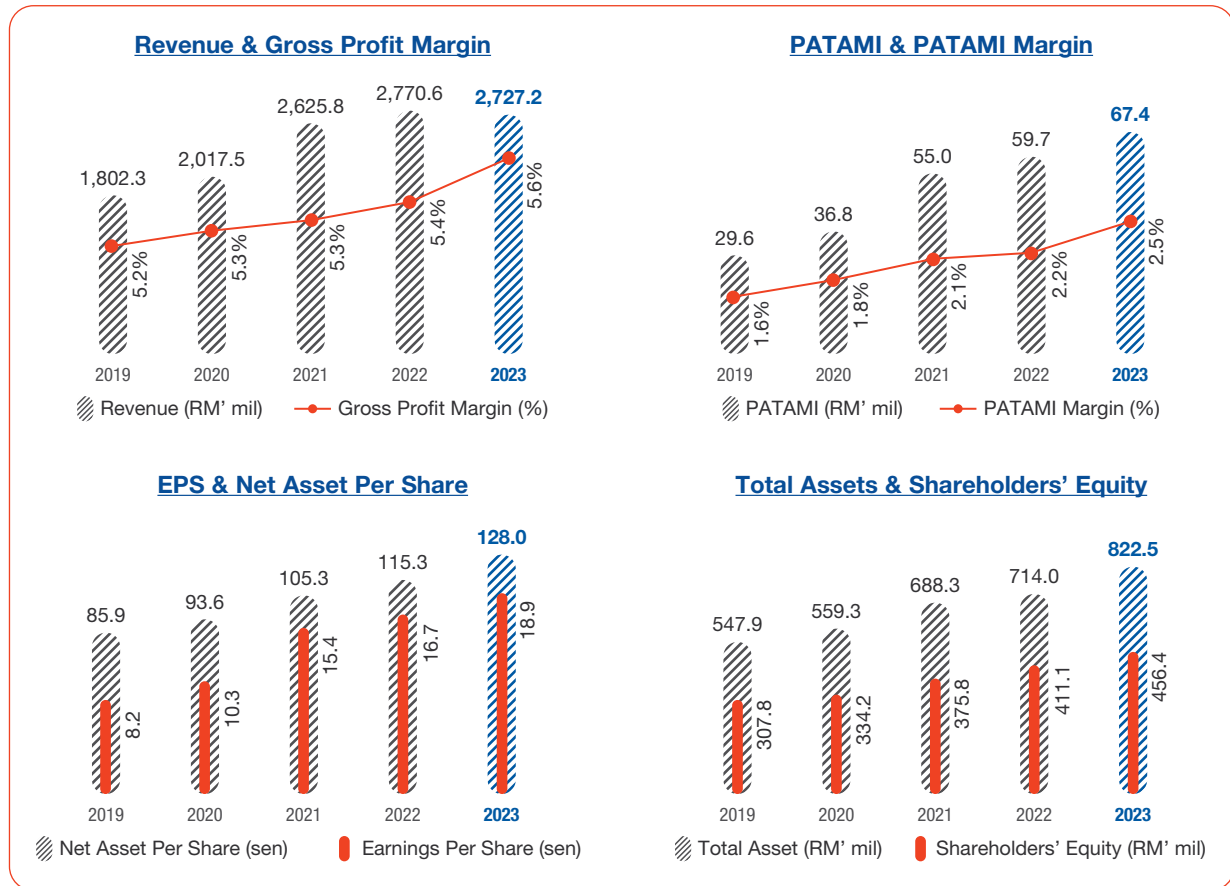
Effective inventory management is also a closely monitored metric, whereby dedicated working teams within the Group control stock levels and trade purchases. Each product manager is held accountable for the forecasting, purchase requests, and inventory level management of the brands under their care. Stocking levels are monitored on a sell-through basis, with effective reporting of stock levels at time ageing intervals.

As at 31 December RM'000	2023	2022	2021
Inventories	200,802	253,198	222,533
Inventories written back/(written down)	1,234	(4,781)	(1,873)
% against Inventories	0.61%	-1.89%	-0.84%

# CEO'S STATEMENT MANAGEMENT DISCUSSION & ANALYSIS

cont'd

Our financial performance in the last five years is depicted in the following charts:



## 4. REVIEW BY BUSINESS SEGMENT

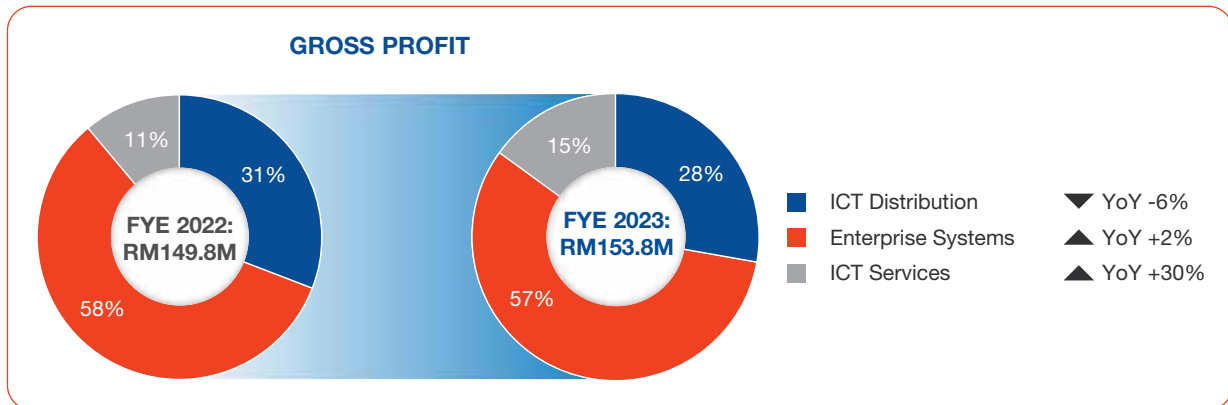
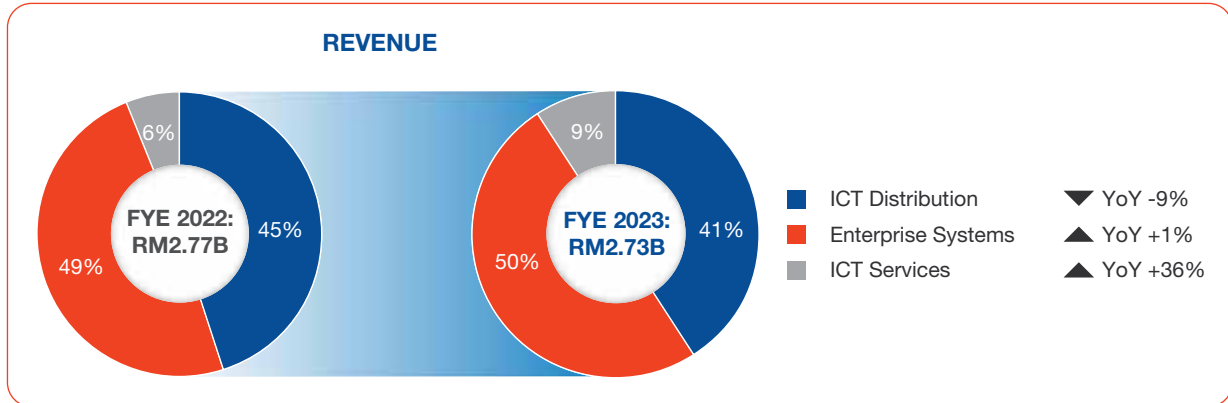
The Group's business segments are as follows:

- 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.

# CEO'S STATEMENT MANAGEMENT DISCUSSION & ANALYSIS

cont'd

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



## 4.1 ICT Distribution

In 2023, economic sentiments and consumer spending remained subdued due to inflationary and recessionary concerns. Our market foresight allowed us to adjust our inventory and purchasing strategy, preventing any adverse impact on our inventory as consumer purchasing trends slowed down.

Revenue from ICT Distribution declined by 9.4% compared to FYE 2022, amounting to RM1.11 billion in FYE 2023. Correspondingly, gross profit decreased by 5.9% to RM43.5 million. Despite this contraction, this division contributed 40.9% and 28.3% to our Group's revenue and gross profit, respectively.

Despite the segment's temporary weakness in FYE 2023, sales volumes for personal computers, notebooks, and tablets remained significantly higher than pre-pandemic levels (pre-FYE 2020). Total shipments for FYE 2023 in these consumer products were 31% higher than FYE 2019, and we anticipate sustained sales volume above pre-pandemic levels. This is attributed to an expanding base of devices requiring replacement, coupled with the onset of the replacement cycle for various consumer IT products sold during the pandemic, providing momentum going forward.

We have strategically expanded our presence on major local e-Commerce platforms in recent years. As of 31 December 2023, we are managing sixteen (16) official online brand stores across two (2) major e-Commerce marketplace platforms and two (2) online stores directly with our brand principals. Although a substantial portion of our sales continues to be conducted through physical channels, our proactive endeavours in establishing an online presence will position us advantageously for any prospective shift in consumer shopping preferences.

# CEO'S STATEMENT MANAGEMENT DISCUSSION & ANALYSIS

cont'd

## 4.2 Enterprise Systems

While consumer spending remained muted in 2023, our enterprise business exhibited another year of robust performance. Notably, organisations and businesses maintained a steady investment momentum in technology, with a particular focus in areas such as artificial intelligence (“AI”), cybersecurity, and process-automation. To further enhance our portfolio and cater to the market’s growing demands, we are proactively expanding our product offerings. This involves forging strategic partnerships with leading global brands, especially in the rapidly growing cloud and data centre space.

In FYE 2023, our Enterprise Systems segment sustained its revenue at RM1.38 billion, mirroring the preceding year’s performance and contributing a significant 50.4% to the overall group revenue. Gross profit grew by 1.9%, reaching RM88.1 million and constituting 57.3% of the total group gross profit. This segment’s performance would have been more robust if not for the deferral of several key public sector and large enterprise projects to the subsequent year. The imminent realisation of these projects will position the segment for further growth in the future. Our confidence in this segment is also bolstered by existing order book and a promising pipeline.

## 4.3 ICT Services

The ICT Services segment contributed RM237.3 million to the revenue, a significant increase of 35.8% compared to FYE 2022. Gross profit correspondingly grew by 30.1% to RM22.2 million.

Our revenue under ICT Services is mainly derived from project implementation stemming from the Enterprise Systems segment. Cloud services will be the key catalyst for the next phase of growth. VSTECs has built a successful cloud distribution model and is well-equipped to assist enterprises on their cloud adoption journey. In this relatively short time frame, we’ve successfully penetrated larger enterprises, the public sector and also made significant headway into small to medium-sized businesses spanning various industries.

## 5. PROSPECTS, FUTURE PLANS & STRATEGIES

### 5.1 ICT Distribution

While FYE 2023 presented challenges, we remain positive on the long-term outlook for ICT distribution in Malaysia and this segment remains a core pillar in our Group. The nation’s robust embrace of digital transformation serves as a catalyst, propelling heightened consumer demand for smartphones, tablets, and connected devices. This surge is fuelled by consumers’ requirements for enhanced connectivity in their professional and personal spheres. Furthermore, this positive trajectory receives additional support from government initiatives advocating digitalisation and the advent of exciting technologies such as AI and satellite internet. We are strategically positioned to capitalise on these opportunities through several strategies.

Firstly, we will be continuously expanding our brand portfolio in 2024. We aim to offer Malaysians a wider range of cutting-edge technology devices by forging strategic partnerships with leading global principals and brands. This not only strengthens our position as a leading ICT distributor but also empowers consumers with greater choice and access to the latest advancements. A prime example is our recent distributorship of notebooks with AI-capable hardware in Malaysia. These intelligent computing solutions cater to a diverse range of users, from busy professionals seeking seamless productivity to individuals who prioritise immersive experiences and reliable connectivity.

Secondly, VSTECs remains committed to staying ahead of the curve. Through constant monitoring of consumer trends, we endeavour to be the first to introduce the latest and most popular technology endpoint devices in Malaysia. This proactive approach helps us to maintain a competitive edge and cater to the evolving needs of Malaysian consumers.

# CEO'S STATEMENT

## MANAGEMENT DISCUSSION & ANALYSIS

cont'd

Thirdly, we are actively broadening our nationwide channel coverage in 2024. This strategic initiative aims to achieve deeper penetration into second and third-tier towns where significant market share opportunities exist. By expanding our reach, we can ensure Malaysians nationwide have access to the latest technologies and empower them to participate fully in the digital revolution.

While the recent increase in SST from 6% to 8% may dampen consumer sentiments in the short term, the overall ICT Distribution segment is expected to pick up in the second half of 2024. This upswing will be driven by the natural replacement cycle for devices purchased during the pandemic. Our strategic emphasis on brand expansion, the incorporation of new technologies, and proactively staying abreast of consumer trends positions us well to benefit from any upswing in market volume.

### 5.2 Enterprise Systems and ICT Services

The Enterprise Systems and ICT Services segments are primed for growth within the dynamic landscape of evolving enterprise technology. Fuelled by both the private sector's sustained investment in digital transformation and the anticipated surge in public sector projects in financial year ending 2024 ("**FYE 2024**"), our outlook is promising.

In strategically expanding our Enterprise Systems portfolio, we aim to align with emerging trends in AI, cybersecurity, and cloud adoption, providing businesses with a comprehensive suite of solutions tailored to the evolving digital landscape. In anticipation of increased activities in public sector projects in 2024, we are positioning ourselves to actively engage in these initiatives, leveraging our expertise and robust solutions to play a significant role in government-led digital transformation projects. Complementing this, our ICT Services segment is well-positioned to offer services to meet the diverse needs of our clients.

In pursuit of strategic growth, we are seizing the burgeoning opportunities presented by Malaysia's emergence as a data centre hub. Our comprehensive approach involves capitalising on data centre investments by expanding our offerings across various domains, including renewable energy, power management, server solutions, storage solutions, software, and network infrastructure. Recognising the critical need for specialised expertise in power management and energy solutions within the data centre landscape, we are establishing a dedicated business development team for this space. This team will actively engage stakeholders in engineering, power, and cable consultancy, forging new channels for collaboration and growth. We are also developing new data centre channels to cover areas of renewable energy, server, storage, software and network infrastructure. We foresee sizable potential and opportunities presented by the data centre space over the next five to eight years.

## 6. AWARDS AND ACCOLADES

### VSTECs Berhad

1.	The Edge	The Edge Centurion Club 2023 – TECHNOLOGY – Highest Returns to Shareholders Over Three Years
		The Edge Centurion Club 2023 – TECHNOLOGY – Highest Growth in Profit After Tax Over Three Years

### VSTECs Astar Sdn. Bhd.

1.	ASUS	Top Commercial Notebook Distributor FYE 2023
2.	Dell Technologies	Top Distributor Client Solutions FYE 2023 Top Distributor Excellence In New Business Development FYE 2023



## CEO'S STATEMENT MANAGEMENT DISCUSSION & ANALYSIS

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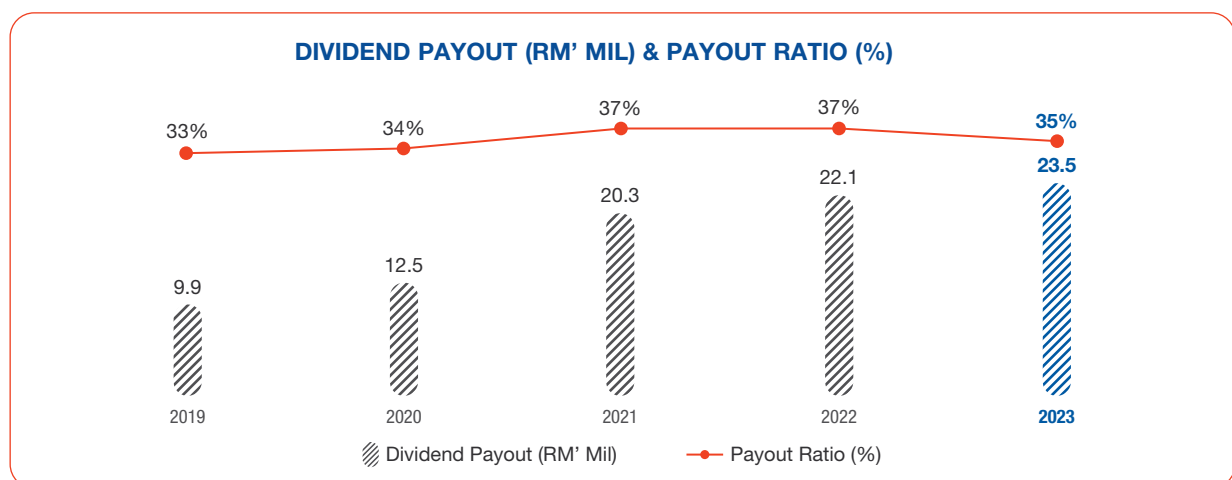
3.	Hewlett-Packard	Top Consumer Desktop Distributor in FYE 2022 Top Consumer Notebook Distributor in FYE 2022 Top HPS Printer Distributor in FYE 2022 Top Ink Supplies Distributor in FYE 2022 Top Large Format DesignJet Printer Distributor in FYE 2022
4.	Lenovo	Top Consumer Distributor Champion FYE 2023 Top Consumer Tablet Distributor Champion FYE 2023 Top Distributor Champion FYE 2023 Top Growth SMB Distributor FYE 2023 Top SMB Distributor Champion FYE 2023
5.	Microsoft	Managed Partner Global Partner Solutions FYE 2022
6.	Samsung	Top Performance Distributor 2022 Best Performance Awards

### VSTECs Pericomp Sdn. Bhd.

1.	Cisco	Security Distributor of the Year 2023
2.	F5 Networks	Malaysia Distributor of the Year FYE 2023
3.	IBM	Managed Partner Global Partner Solutions FYE 2022
4.	Lenovo	Top Growth ISG (Infrastructure Solutions Group) Distributor FYE 2023
5.	Trend Micro	Distributor of the Year 2023

## 7. 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 aggregating to 6.6 sen per share. This translates to a payout ratio of 35% or a total payout quantum of RM23.5 million. Over the years, we have maintained the practice of distributing a minimum of 30% of net profit as dividends to our shareholders.



# CEO'S STATEMENT

## MANAGEMENT DISCUSSION & ANALYSIS

cont'd

### 8. ANTICIPATED/KNOWN RISKS & MITIGATING PLANS

#### Credit Defaults

The main operational risks we face 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 in the following areas:

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

#### Foreign Exchange Fluctuations

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 cost of our trade purchases irrespective of currency market fluctuations.

#### Dependency on Brand Principals

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 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.

#### Revenue Visibility

In our ICT Distribution segment, 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.

#### Supply Chain Disruptions

Supply chain disruptions, whether due to natural disasters, geopolitical tensions, or global health crises, represent a significant risk. In response, we maintain robust supply chain monitoring, cultivate strategic relationships with suppliers, and implement alternative sourcing strategies to ensure business continuity.

#### Cybersecurity

The escalating threat of cybersecurity incidents, including data breaches and ransomware attacks, necessitates a robust defence strategy. VSTECS Berhad implements comprehensive cybersecurity measures, conducts regular audits, provides employee training, and collaborates with cybersecurity experts to fortify our defences.

#### Talent Acquisition

The competitive landscape for talent acquisition and retention poses a risk in the dynamic job market. To counter this, our strategy involves meticulous talent acquisition plans, employee development programs, and fostering a positive workplace culture to enhance employee satisfaction and loyalty.

# CEO'S STATEMENT

## MANAGEMENT DISCUSSION & ANALYSIS

cont'd

### Economic Landscape

Economic downturns represent an overarching risk affecting consumer spending and overall business performance. To navigate such uncertainties, VSTECS Berhad adheres to prudent financial management practices and diversified our revenue stream to include enterprise business and ICT services.

### Sustainable Practices

Environmental and sustainability risks have gained prominence, impacting various business operations. Our approach involves integrating sustainable practices, adhering to environmental regulations, and actively engaging with eco-friendly initiatives to mitigate these risks.

## 9. ACKNOWLEDGEMENTS & CONCLUSION

Throughout the period under review, our Company has demonstrated not just resilience, but a remarkable capacity to adapt and thrive. We've navigated market uncertainties by diversifying our offerings, keeping abreast with market trends, and maintaining a keen eye on fiscal responsibility. The results you see in this report are a testament to that commitment – a commitment that extends not just to financial performance but to sustainable growth and value creation for all our stakeholders.

We understand that the technological landscape is constantly evolving, and our proactive approach ensures we stay ahead of the curve, embracing these changes and leveraging them to our advantage. We've identified and addressed potential risks, such as market volatility and supply chain disruptions, with a focus on adaptability, innovation, and proactive strategies.

As we move forward, VSTECS Berhad remains dedicated to the core values that have guided us thus far: sustainable growth, technological excellence, and unwavering commitment to stakeholder value creation. Our strategic expansion plans position us not just as participants but as leaders in the dynamic world of technology distribution and services.

On a personal note, I want to express my deepest gratitude to our Board of Directors, shareholders, employees, and partners. Your continued support is the foundation of our success. Together, we look forward to a future marked by resilience, innovation, and sustained success.

**JH SOONG**

*Chief Executive Officer*





# ***DIGITAL ENABLEMENT***

We strive to continue accelerating the ICT enablement and digital transformation to bring our nation to be globally competitive and connected in today's electronically seamless and borderless world. By venturing into new partnerships and enhancing existing channels, we aim to fulfill the market's appetite for digital enablement and technology adoptions.

# BOARD OF DIRECTORS



**LEE MARN FONG @  
WU MARN FONG**

*Non-Independent  
Non-Executive Chairman*



**SOONG JAN HSUNG**

*Executive Director/  
Chief Executive Officer*



**DATO' KHOO SIN AIK**

*Senior Independent  
Non-Executive Director*

## BOARD OF DIRECTORS

cont'd



**ABDUL AZIZ BIN  
ZAINAL ABIDIN**

*Independent  
Non-Executive Director*

**ANNE RODRIGUES  
NEE KOH LAN HEONG**

*Independent  
Non-Executive Director*

**JOSEPHINE PHAN  
SU HAN**

*Independent  
Non-Executive Director*

**ONG WEI HIAM**

*Non-Independent  
Non-Executive Director*

## PROFILE OF BOARD OF DIRECTORS



### LEE MARN FONG @ WU MARN FONG

76

Non-Independent Non-Executive Chairman  
Malaysian, Female

<b>Date of appointment as Director</b>	:	16 February 2022
<b>Length of service as director since appointment (as at 15 April 2024)</b>	:	2 years 2 months
<b>Board Committee(s) served on</b>	:	Nil
<b>Academic/Professional Qualification(s)</b>	:	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)
<b>Present Directorship(s)</b>		
(i) <b>Other Public Listed Companies</b>	:	Nil
(ii) <b>Public Companies</b>	:	Nil
<b>Working experience</b>	:	<p>Madam Lee has more than 30 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 Member 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>Madam Lee is one of the major shareholder of the Company through her substantial shareholdings in Sengin Sdn. Bhd. and the shareholdings of her children and spouse, the late Mr. Foo Sen Chin, the Co-Founder and the former Non-Independent Non-Executive Chairman of the Company.</p> <p>She has not been convicted of any offences within the past 5 years and there have been no public sanctions or penalties imposed on her by the relevant regulatory bodies during the financial year ended 31 December 2023.</p>
<b>Time Committed</b>	:	Madam Lee attended all the 4 Board meetings.



## PROFILE OF BOARD OF DIRECTORS

cont'd



### SOONG JAN HSUNG

60

Executive Director/ Chief Executive Officer  
Malaysian, Male

<b>Date of appointment as Director</b>	:	21 February 1997
<b>Length of service as director since listing on 15 April 2010 (as at 15 April 2024)</b>	:	14 years 0 month
<b>Board Committee(s) served on</b>	:	Nil
<b>Academic/Professional Qualification(s)</b>	:	Bachelor of Science (Honours) majoring in Mathematics from the University of Malaya in 1987
<b>Present Directorship(s)</b>		
(i) <b>Other Public Listed Companies</b>	:	Nil
(ii) <b>Public Companies</b>	:	Nil
<b>Working experience</b>	:	<p>Mr. Soong began his career as a Marketing Representative with VSTECs Pericomp Sdn. Bhd. in 1987. His hard work and dedication in the next 7 years led to several promotions in sales and marketing position to become the General Manager in 1994. Mr. Soong was promoted to Executive Director in 2001 and was appointed as a Deputy Chief Executive Officer of VSTECs Berhad on 1 January 2014. On 1 January 2015, Mr. Soong was promoted to the position of Executive Director/Chief Executive Officer of VSTECs Berhad 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>Mr. Soong has more than 35 years of experience in the ICT distribution market. He is also an Executive Director of the subsidiary companies, namely, VSTECs Astar Sdn. Bhd., VSTECs Pericomp Sdn. Bhd., VSTECs KU Sdn. Bhd. and VSTECs Kush Sdn. Bhd. He has been primarily responsible for developing new sales and marketing strategies, as well as the ICT product distribution, ICT sales and services, and, enterprise systems operations of the Group.</p> <p>Mr. Soong has contributed significantly to the Group in becoming the leading ICT hub in Malaysia.</p> <p>Mr. Soong has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offences within the past 5 years and there have been no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2023.</p>
<b>Time Committed</b>	:	Mr. Soong attended all the 4 Board Meetings.
<b>Sustainability Governance Initiative:-</b>		
Management Committee(s) served on	:	Chairman of Enterprise Risk Management Committee

## PROFILE OF BOARD OF DIRECTORS

cont'd



### DATO' KHOO SIN AIK

62

Senior Independent Non-Executive Director  
Malaysian, Male

<b>Date of appointment as Director</b>	:	1 January 2020
<b>Length of service as director since appointment (as at 15 April 2024)</b>	:	4 years 3 months
<b>Board Committee(s) served on</b>	:	Chairman of Remuneration Committee; and Chairman of Nominating Committee
<b>Academic/Professional Qualification(s)</b>	:	Diploma in Business Administration from Business School University of Hull, United Kingdom
<b>Present Directorship(s)</b>		
<b>(i) Other Public Listed Companies</b>	:	Nil
<b>(ii) Public Companies</b>	:	Nil
<b>Working experience</b>	:	Dato' Khoo has more than 35 years of experience in the Information Technology industry. He has served in diverse capacities in public and private sector organisations such as The National Tech Association of Malaysia (PIKOM) (as Chairman from 1995 to 1997), Patimas Computers Bhd (as Executive Director from 1996 to 1998), Malaysia Digital Economy Corporation Sdn. Bhd. (MDEC) (as Vice President of Corporate Strategy from 2006 to 2015), WCIT 2008 Sdn. Bhd. (as CEO from 2006 to 2008) and World Information Technology and Services Alliance ("WITSA") (as Chairman of the Board from 2008 to 2012).  Dato' Khoo currently holds the position of Chairman Emeritus of WITSA. He was the President and Chief Executive Officer of MDEC Americas Inc (Silicon Valley) from 2015 to 2019.  Dato' Khoo has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offences within the past 5 years and there have been no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2023.
<b>Time Committed</b>	:	Dato' Khoo attended all the 4 Board Meetings.

## PROFILE OF BOARD OF DIRECTORS

cont'd



### ABDUL AZIZ BIN ZAINAL ABIDIN

65  
Independent Non-Executive Director  
Malaysian, Male

<b>Date of appointment as Director</b>	:	1 January 2020
<b>Length of service as director since appointment (as at 15 April 2024)</b>	:	4 years 3 months
<b>Board Committee(s) served on</b>	:	Chairman of Audit Committee; and Member of Remuneration Committee
<b>Academic/Professional Qualification(s)</b>	:	Certificate of Insurance from MARA Institute of Technology (ITM); and Fellowship of the Malaysian Insurance Institute
<b>Present Directorship(s)</b>		
<b>(i) Other Public Listed Companies</b>	:	Nil
<b>(ii) Public Companies</b>	:	Progressive Insurance Berhad
<b>Working experience</b>	:	Encik Abdul Aziz has more than 35 years of experience in the Insurance industry and holds a Fellowship of the Malaysian Insurance Institute (FMII).  Encik 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., he 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). Encik Abdul Aziz was a Director at the Islamic Banking & Finance Institute Malaysia (IBFIM).  In 1977, Encik Abdul Aziz began his career with Tugu Insurance, Malaysia. He then 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.  Encik Abdul Aziz has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offences within the past 5 years and there have been no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2023.
<b>Time Committed</b>	:	Encik Abdul Aziz attended all the 4 Board Meetings.

## PROFILE OF BOARD OF DIRECTORS

cont'd



### ANNE RODRIGUES NEE KOH LAN HEONG

73

Independent Non-Executive Director  
Malaysian, Female

<b>Date of appointment as Director</b>	:	30 December 2022
<b>Length of service as director since appointment (as at 15 April 2024)</b>	:	1 year 3 months
<b>Board Committee(s) served on</b>	:	Member of the Audit Committee
<b>Academic/Professional Qualification(s)</b>	:	Bachelor Degree in Economics from University of Malaya; Master in Business Administration from University of Bath; Member of Malaysian Institute of Accountants; and Fellow of Association of Chartered Certified Accountants
<b>Present Directorship(s)</b>		
<b>(i) Other Public Listed Companies</b>	:	Kuala Lumpur Kepong Berhad
<b>(ii) Public Companies</b>	:	Nil
<b>Working experience</b>	:	<p>Madam Anne Rodrigues has more than 35 years of work experience and her areas of expertise covers finance specifically in Accounting, Treasury, Corporate Finance, Internal Audit and Risk Management. She has also acquired varied expertise in Product Research and Product Planning as well as Contracts and Procurement.</p> <p>Madam Anne began her career with Federal Land Development Authority (FELDA) in 1973. From 1984 to 1997, she was seconded by FELDA to various companies and gained diverse financial, commercial and corporate experience in Malaysia International Shipping Corporation Berhad and Boustead Group. She returned to serve Felda Holdings Berhad as its Group Finance Director from 1998 to 2006 and Senior Executive Director (Finance) from 2006 to 2009. She was then appointed as the Group Chief Financial Officer, and subsequently Financial Advisor of Felda Global Ventures Holdings Berhad. Her last position was as Chief Financial Officer of TRT Holdings, Inc. (a subsidiary of Felda Global Ventures Holdings Bhd based in Boston, USA) from September 2011 to 2012.</p> <p>Madam Anne has obtained a Certificate on Project Appraisal and Risk Management for Bankers from Harvard Institute for International Development and Institute of Banks Malaysia and has also completed a training program on Japanese Securities Business by Nomura Securities Co., Ltd, Japan. She had been a lecturer on International Finance and New Business Development for MBA programs offered by Master in Management/ University of Bath (1995-1996) and KDU/University of Liverpool and Humberside UK (1996). She had been a regular speaker at local and international conferences related to Cash and Treasury Management and was a president of Malaysian Association of Corporate Treasurers (2012-2014).</p> <p>In 2018, she was appointed by the Minister of Finance as a member of the Financial Reporting Foundation, an independent body established under the Financial Reporting Act 1997.</p> <p>Madam Anne has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has not been convicted of any offences within the past 5 years and there have been no public sanctions or penalties imposed on her by the relevant regulatory bodies during the financial year ended 31 December 2023.</p>
<b>Time Committed</b>	:	Madam Anne attended all the 4 Board Meetings.

## PROFILE OF BOARD OF DIRECTORS

cont'd



### JOSEPHINE PHAN SU HAN

59

Independent Non-Executive Director  
Malaysian, Female

<b>Date of appointment as Director</b>	: 15 June 2023
<b>Length of service as director since appointment (as at 15 April 2024)</b>	: 0 year 10 months
<b>Board Committee(s) served on</b>	: Member of the Nominating Committee
<b>Academic/Professional Qualification(s)</b>	: Bachelor of Economics (Accounting and Computer Science) from Monash University, Melbourne, Australia; Fellow Member of the Certified Practising Accountant (CPA), Australia; Chartered Accountant of the Malaysia Institute of Accountants (MIA); Alumni of INSEAD Business School; Alumni of Harvard Business School; and Platinum member of Information Systems Audit and Controls Association (ISACA), Malaysia Chapter
<b>Present Directorship(s)</b>	
<b>(i) Other Public Listed Companies</b>	: Mulpha International Berhad
<b>(ii) Public Companies</b>	: Nil
<b>Working experience</b>	: Prior to her retirement as Senior Partner in PricewaterhouseCoopers Malaysia, Madam Josephine Phan led the Information Technology (“IT”) Risk Assurance Practice in providing assurance and advisory services to clients on their IT systems and financial processes. Madam Josephine has more than 30 years of professional experience working with clients across various industries, both locally and overseas. Her experience includes financial statutory audits, IT governance, IT internal and external audits, information security, IT risk and regulatory compliance, IT and operational due diligence.  Madam Josephine was the past President of CPA Australia (Malaysia Division), past Vice President of Information Systems Audit and Control Association (Malaysia Chapter) and, past Member of the Auditing and Assurance Standards Board, MIA Disciplinary Appeal Board and CPA Australia Board Nomination Committee respectively.  Madam Josephine is a member of MIA Education Board and MIA Digital Technology Implementation Committee. She is also a panel member for MIA Accreditation of Local Universities Accounting Degrees. Currently, Madam Josephine serves as the Independent Non-Executive Director of Mulpha International Berhad.  Madam Josephine has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has not been convicted of any offences within the past 5 years and there have been no public sanctions or penalties imposed on her by the relevant regulatory bodies during the financial year ended 31 December 2023.
<b>Time Committed</b>	: Madam Josephine attended all 2 Board Meetings, since her appointment.

# PROFILE OF BOARD OF DIRECTORS

cont'd



## ONG WEI HIAM

52

Non-Independent Non-Executive Director  
Malaysian, Male

<b>Date of appointment as Director</b>	:	4 June 2013
<b>Length of service as director since appointment (as at 15 April 2024)</b>	:	10 years 10 months
<b>Board Committee(s) served on</b>	:	Member of the Audit Committee; Member of the Nominating Committee; and Member of Remuneration Committee
<b>Academic/Professional Qualification(s)</b>	:	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
<b>Present Directorship(s)</b>		
<b>(i) Other Public Listed Companies</b>	:	Nil
<b>(ii) Public Companies</b>	:	VSTECS Holdings Limited (Listed on the Stock Exchange of Hong Kong)
<b>Working experience</b>	:	<p>Mr. 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. Mr. Ong concurrently holds the positions of Group Chief Financial Officer and Executive Director of VSTECS Holdings Limited, the parent company of VSTECS Holdings (Singapore) Limited.</p> <p>Mr. Ong serves as a director for the following VSTECS Group's subsidiaries:-</p> <ul style="list-style-type: none"> <li>• A Non-Independent Non-Executive Director of VSTECS</li> <li>• An Executive Director of VSTECS Holdings (Singapore) Limited</li> <li>• An Executive Director and the Group Chief Financial Officer of VSTECS Holdings Limited</li> <li>• A Director of VSTECS (Singapore) Pte. Ltd.</li> <li>• A Director of VSTECS Phils., Inc.</li> <li>• A Director of VST ECS (Thailand) Co. Ltd.</li> <li>• A Director of VSTECS (HK) Limited (formerly known as VST Computers (H.K.) Limited)</li> </ul> <p>Mr. Ong has no family relationship with any Director and/or major shareholder of the Group and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offences within the past 5 years and there have been no public sanctions or penalties imposed on him by the relevant regulatory bodies during the financial year ended 31 December 2023.</p>
<b>Time Committed</b>	:	Ong attended all the 4 Board Meetings.

## SENIOR LEADERSHIP TEAM



*From left side:*

Chuah Kee Heng  
Tee Ang Kuan  
Soong Jan Hsung  
Chan Puay Chai  
Foo Lek Choong  
Li Chin Yeo

## PROFILE OF SENIOR LEADERSHIP TEAM

### SOONG JAN HSUNG

(60 Years, Malaysian, Male)

Executive Director/Chief Executive Officer

Sustainability Committee Member

Compliance Committee Member



For the profile of Soong, please refer to page 23 of this Annual Report.



### TEE ANG KUAN

(62 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. Prior to this role, he was the General Manager of VSTECS Astar Sdn. Bhd. overseeing operations, including the design and development of business and marketing strategies, marketing and distribution of ICT products, and, management of sales staff.

Tee graduated with Bachelors of Art (Honours) majoring in Economics from the University of Malaya in 1985. He began his career with a computer company in sales line upon graduation.

From 1986 to 1995, Tee worked with several ICT distributors, specialising in sales and marketing of ICT products, such as notebooks and desktop PCs, printers and software. In 1996, he assumed the role of Business Manager at VSTECS Astar Sdn. Bhd. and subsequently promoted to General Manager in 1999. With over 30 years of experience in the ICT distribution market, his wealth of knowledge and expertise has contributed significantly to the growth of the Group.



## PROFILE OF SENIOR LEADERSHIP TEAM

cont'd

### CHAN PUAY CHAI

(57 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.

In 1995, Chan joined VSTECS Kush Sdn. Bhd. as a Finance Manager and was promoted to Financial Controller in 2005. His extensive professional journey encompasses a diverse range of experiences, including the review of accounting systems, implementation of computerisation, management accounting, budgeting, corporate exercises, financial analysis and its related functions.

With a wealth of experience in the ICT industry and financial management, he has made significant and enduring contributions to the Group's success. Remarkably, he has dedicated 28 years to the Group. His strategic financial insight and unwavering dedication have played a crucial role in fostering sustained growth and prosperity within the Group.



### CHUAH KEE HENG

(55 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 including the design and development of business and marketing strategies, marketing and distribution of the Group's ICT products, and, management of sales staff.

He graduated with a Degree in Business Administration from Upper IOWA University, USA in 1998.

Before joining the Group, Chuah accumulated extensive experience working with various ICT distributors and industry players from 1991 to 2016. With his rich experience in the dynamic ICT industry, he is well-positioned to make substantial and strategic contributions to the continued success and growth of the Group.

## PROFILE OF SENIOR LEADERSHIP TEAM

cont'd

### LI CHIN YEO

(50 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 including the design and development of business and marketing strategies, marketing and distribution of our ICT products, and management of sales staff.

A graduate of Bachelor of Commerce from University Of Wollongong, Australia, Li joined VSTECS Pericomp Sdn. Bhd. in 2002 as a Support Executive. He progressed through various roles including Technology Specialist in 2003, Assistant Business Development Manager in 2006, Business Development Manager in 2007, Product Manager in 2008, Senior Manager (Sales) in 2012, and followed by the appointment as Assistant General Manager before being promoted to the General Manager.

His wealth of experience has been a driving force, making substantial contributions to the collective success and expansion of the Group.



### FOO LEK CHOONG

(48 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 25 years of experience in systems integration of internetworking architectures 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 group sustainability, and, is one of the Directors in the Group's associate company, ISATEC Sdn. Bhd.

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

## PROFILE OF SENIOR LEADERSHIP TEAM

cont'd

### Notes 1:-

Save as disclosed above, none of the Senior Leadership Team 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 and 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 84 - 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 SIEW KEE

(43 years, Malaysian, Male)  
Assistant General Manager of  
VSTECs KU Sdn. Bhd.

*Sustainability Committee Member*

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 management of sales staff.

A graduate with Degree Bachelor of Science (Hons) in IT & Computing System from Staffordshire University, England, he began his working career at VSTECs Pericomp Sdn. Bhd. as a Product Manager in 2008.

Yap's commitment and strategic acumen led to his promotion to the role of Senior Manager in early 2012, where he managed overall marketing and strategies for the System Infrastructure division. In 2017, he led the enterprise business development team in VSTECs Astar Sdn. Bhd. His role expanded and on 1 September 2018, he assumed the position of Senior Services Manager at VSTECs KU Sdn. Bhd., responsible for the overall ICT sales and services. In recognition of his continued excellence, he was promoted to Assistant General Manager in 2021.



### LAI YOKE KEAN

(48 years, Malaysian, Female)  
Senior Manager  
(Product & Marketing – Consumer) of  
VSTECs Astar Sdn Bhd

*Sustainability Committee Member*

Lai is the Senior Marketing Manager of VSTECs Astar Sdn Bhd leading the development and implementation of product and marketing strategies in alignment 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.

In 2006, she began her working career with VSTECs Astar Sdn. Bhd. as a Senior Sales Executive and she was promoted to the role of Sales Manager in 2017. Recognising her continued excellence, Lai was appointed as Senior Marketing Manager in 2021.



### JOYVERI ANAK NYELANG

(46 years, Malaysian, Male)  
Senior Manager, Logistics

*Sustainability Committee Member*

Joyveri is the Senior Logistics Manager responsible for the overall warehouse and logistics' operations of the Group. He graduated with a Degree in Business Administration Management (Hons) from Northern University Malaysia, Kedah in 2002.

Joyveri has more than 18 years of experience in logistics and transportations management as well as operation of air and sea freight services. His wealth of experience ranges from supervisory and management role; handling of shipping and trading via International Commercial Terms (Incoterms), overseeing and management of organisation's supply chain and warehouse operation; inventory control; manufacturing resources; executing, planning and leading projects including Warehouse Management, Material Requirement Planning (MRP) and Enterprise resource planning (ERP) systems.

Joyveri led warehouse and logistics' operations and resources via systems such as ORACLE, SAP, JIT (Just-In-Time) operation and inventory management, HACCP (Hazard Analysis and Critical Control Point) management, and, GMP (Good Manufacturing Practice). His experience include implementing and applying International Organization for Standardization ("ISO")'s certifications such as ISO 9001 (quality management systems), ISO 14000 (environmental management standards) and ISO 22000 (food safety management System).

## PROFILE OF MANAGEMENT TEAM

cont'd



### CHAI MEIW CHENG

*(50 years, Malaysian, Female)*  
Inventory Manager

*Sustainability Committee Member*



### YEE CHEE YOON

*(50 years, Malaysian, Female)*  
Human Resource Manager

*Sustainability Committee Member*

Chai is the Inventory Manager of the Group since October 2017 in charge of the comprehensive Inventory management responsibilities of the Group. She holds a Diploma in Business Administration.

Her journey with the Group began in 1997 as a sales coordinator at VSTECs Pericomp Sdn. Bhd.. Chai progressed through various roles in VSTECs Astar Sdn. Bhd., starting as an Order Processing Administrator in 1999, then advancing to Order Processing Executive in 2006. Recognising her capabilities, she was further promoted to Senior Order Processing Executive in 2009.

From 2015 until 2017, she was appointed as Assistant Inventory Manager and she was subsequently promoted to the role of Inventory Manager at VSTECs Kush Sdn. Bhd..

Yee is the Human Resource Manager of the Group since 2014 in charge of the Human Resource management of the Group. 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.

She began her career in 1994 at a local Bank as a Personal Assistant and progressing to a promotion as Human Resource Officer in 1997. She was an Associate Officer handling various HR matters in a multinational company in 2002 and subsequently joined a computer company as a Human Resource & Administration Manager in 2009.

# ***TECHNOLOGICAL EMPOWERMENT***

With a proven track record and steadfastness in intent and purpose, we continuously seek new horizons in products and services to enhance social enrichment and life abilities to the consumer, while we aim to accelerate the abilities of enterprise and public institutions to amplify their business capabilities.



