

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	As At 31/03/2022 RM'000	As At 31/12/2021 RM'000
ASSETS			
Plant and equipment		2,427	2,242
Right-of-use assets		3,468	3,949
Investment in an associate		24,372	23,935
Investment in a joint venture		13,444	13,910
Other investments		289	62
Intangible asset		571	571
Deferred tax assets		1,804	1,660
Receivables and deposits		292	292
Total non-current assets		46,667	46,621
Inventories		185,024	222,533
Receivables, deposits and prepayments		384,669	346,464
Cash and cash equivalents	18(a)	47,811	72,652
Total current assets		617,504	641,649
TOTAL ASSETS		664,171	688,270
EQUITY			
Share capital		90,000	90,000
Reserves		297,386	285,827
Total equity attributable to owners of the Company		387,386	375,827
LIABILITIES			
Lease liabilities		1,606	2,103
Total non-current liabilities		1,606	2,103
Borrowings	23	2,537	-
Lease liabilities		1,940	1,921
Payables and accruals		265,751	301,448
Tax payable		4,951	6,971
Total current liabilities		275,179	310,340
Total liabilities		276,785	312,443
TOTAL EQUITY AND LIABILITIES		664,171	688,270
Net assets per share attributable to owners of the Company (RM)		1.09	1.05

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2022**

	Note	Individual Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
		31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Revenue		643,757	668,977	643,757	668,977
Cost of sales		(611,152)	(636,362)	(611,152)	(636,362)
Gross profit		<u>32,605</u>	<u>32,615</u>	<u>32,605</u>	<u>32,615</u>
Distribution expenses		(12,550)	(11,978)	(12,550)	(11,978)
Administrative expenses		(5,897)	(5,732)	(5,897)	(5,732)
Net (loss)/gain on impairment of financial instruments		(302)	194	(302)	194
Other income	17	1,726	1,156	1,726	1,156
Results from operating activities	17	<u>15,582</u>	<u>16,255</u>	<u>15,582</u>	<u>16,255</u>
Finance income		74	430	74	430
Finance costs		(43)	(54)	(43)	(54)
Net finance income		31	376	31	376
Share of profit of equity-accounted associate, net of tax		437	267	437	267
Share of profit of equity-accounted joint venture, net of tax		134	135	134	135
Profit before tax		<u>16,184</u>	<u>17,033</u>	<u>16,184</u>	<u>17,033</u>
Tax expense	21	(4,302)	(4,300)	(4,302)	(4,300)
Profit for the period / Total comprehensive income for the period		<u>11,882</u>	<u>12,733</u>	<u>11,882</u>	<u>12,733</u>
Profit for the period / Total comprehensive income for the period attributable to:					
Owners of the Company		11,882	12,733	11,882	12,733
Non-controlling interest		-	-	-	-
		<u>11,882</u>	<u>12,733</u>	<u>11,882</u>	<u>12,733</u>
Earnings per share attributable to owners of the Company:					
Basic (sen)	26	3.3	3.6	3.3	3.6
Diluted (sen)		N/A	N/A	N/A	N/A

Notes:

N/A Not applicable

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2022**

	<- Attributable to owners of the Company - >					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	
At 1 January 2021	90,000	(1,453)	245,676	334,223	-	334,223
Profit for the period / Total comprehensive income for the period	-	-	12,733	12,733	-	12,733
At 31 March 2021	<u>90,000</u>	<u>(1,453)</u>	<u>258,409</u>	<u>346,956</u>	<u>-</u>	<u>346,956</u>
At 1 January 2022	90,000	(1,453)	287,280	375,827	-	375,827
Profit for the period / Total comprehensive income for the period	-	-	11,882	11,882	-	11,882
Own shares acquired	-	(323)	-	(323)	-	(323)
At 31 March 2022	<u>90,000</u>	<u>(1,776)</u>	<u>299,162</u>	<u>387,386</u>	<u>-</u>	<u>387,386</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2022**

	Note	Three Months Ended	
		31/03/2022 RM'000	31/03/2021 RM'000
Cash Flows from Operating Activities			
Profit before tax		16,184	17,033
<i>Adjustments for:</i>			
Non-cash items		(137)	654
Non-operating items		(602)	(778)
Operating profit before changes in working capital		15,445	16,909
Change in inventories		29,620	(44,581)
Change in receivables, deposits and prepayment		(38,205)	15,656
Change in payables and accruals		(26,892)	49,985
Cash (used in)/generated from operations		(20,032)	37,969
Tax paid		(6,466)	(2,363)
Net cash (used in)/from operating activities		(26,498)	35,606
Cash Flows from Investing Activities			
Acquisition of plant and equipment		(410)	(154)
Proceeds from disposal of investment properties		-	9,000
Purchase of other investment		(300)	-
Dividend income from a joint venture		600	-
Net cash (used in)/from investing activities		(110)	8,846
Cash Flows from Financing Activities			
Interest received		74	394
Interest paid		(43)	(54)
Payment of lease liabilities		(478)	(466)
Repurchase of treasury shares		(323)	-
Net cash used in financing activities		(770)	(126)
Net (decrease)/increase in cash and cash equivalents		(27,378)	44,326
Cash and cash equivalents at beginning of period		72,652	98,325
Cash and cash equivalents at end of period		45,274	142,651
Cash and cash equivalents comprise the following:			
Cash and bank balances		47,811	142,651
Less: Bank overdraft	23	(2,537)	-
		45,274	142,651

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022**PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING****1. Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 31 December 2021.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2021 are available upon request from the Company's registered office at: Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

2. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 31 December 2021, except with the adoption of the following:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRS 1 and MFRS 141 are not applicable to the Group.

The adoption of the above standards, interpretations or amendments are not expected to have material financial impact to the financial statements of the Group.

3. Seasonal or cyclical factors

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

4. Unusual items

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

5. Material changes in estimates

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

6. Debt and equity securities

There were no issuances, cancellations, resale and repayments of debt and equity securities for the current quarter and the financial year-to-date except that the Company purchased its own shares totalling 286,000 ordinary shares amounted to RM323,407.

7. Dividends paid

There was no dividend paid during the quarter.

8. Segmental reporting

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

The Group business segments comprise the following:

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

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

(a) Information about reportable segments

	ICT Distribution RM'000	Enterprise Systems RM'000	ICT Services RM'000	Total RM'000
<u>3 months financial period ended 31 March 2022</u>				
External revenue	321,119	287,918	34,720	643,757
Inter-segment revenue	4,435	1,382	2,717	8,534
Total revenue	<u>325,554</u>	<u>289,300</u>	<u>37,437</u>	<u>652,291</u>
Reportable segment profit before tax	<u>4,781</u>	<u>9,081</u>	<u>1,023</u>	<u>14,885</u>
<u>3 months financial period ended 31 March 2021</u>				
External revenue	423,096	227,580	18,301	668,977
Inter-segment revenue	2,543	903	2,672	6,118
Total revenue	<u>425,639</u>	<u>228,483</u>	<u>20,973</u>	<u>675,095</u>
Reportable segment profit before tax	<u>7,334</u>	<u>8,409</u>	<u>607</u>	<u>16,350</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

8. Segmental reporting (continue)

(b) Reconciliation of reportable segment profit and loss:

	Current Year To-date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Total profit before tax for reportable segments	14,885	16,350
Other non-reportable segments profit	1,904	682
Eliminate of inter-segments (profit)/loss	(605)	1
Consolidated profit before tax	16,184	17,033

(c) Disaggregation of the Group's revenue

	Current Year-to-date 31/03/2022		Preceding Year-to-date 31/03/2021	
	At a point in time RM'000	Over time RM'000	At a point in time RM'000	Over time RM'000
ICT Distribution				
Consumer Desktop, PC and notebooks. Mobility devices and peripherals	321,119	-	423,096	-
Enterprise Systems				
Commercial Desktop, PC and notebook. Server, storage, software and networking products	287,918	-	227,580	-
ICT Services				
Services and maintenance	34,030	690	17,754	547
	643,067	690	668,430	547

(d) Segment assets

	As at 31/03/2022 RM'000	As at 31/12/2021 RM'000
ICT Distribution	433,876	461,246
Enterprise Systems	213,732	199,567
ICT Services	11,513	10,949
Total reportable segment assets	659,121	671,762

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

8. Segmental reporting (continue)

(d) Segment assets (continue)

	As at 31/03/2022 RM'000	As at 31/12/2021 RM'000
<u>Reconciliation of reportable segment assets:</u>		
Total reportable segment assets	659,121	671,762
Other non-reportable segments assets	146,353	142,874
Elimination of inter-segment balances	(141,303)	(126,366)
Consolidated total assets	664,171	688,270

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

(e) Segment liabilities

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

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

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

10. Changes in the composition of the Group

There were no changes in the composition of the Group.

11. Contingent liabilities and contingent assets

(a) Contingent liabilities

	As At 31/03/2022 RM'000	As At 31/12/2021 RM'000
Guarantees to suppliers and licensed banks for trade credit facilities granted by holding company to Group entities	174,432	144,969

(b) Contingent assets

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

12. Capital commitments

The capital expenditure contracted but not provided for as at the end of the current financial period amounted to RM1,120,000.

13. Capital expenditure

There were no major additions and disposals of plant and equipment during the current quarter and financial year-to-date. The major additions and disposals to plant and equipment during the current quarter and financial year-to-date were as follows:

	Current Year Quarter 31/03/2022 RM'000	Current Year To-date 31/03/2022 RM'000
Addition to plant and equipment	410	410

14. Related party transactions

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

	Current Year To-date 31/03/2022 RM'000	Balance Due From/(To) As at 31/03/2022 RM'000
Transactions with an affiliated company:		
Purchases	(7)	(41)
Transactions with a company in which a Director has interests:		
Lease liabilities	(480)	-
Administrative and accounting charges	2	2
Transactions with an associate company:		
Sales	101	34

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

15. Review of performance

	Individual Quarter			Cumulative Quarter		
	Current Year	Preceding Year	Changes	Current Year	Preceding Year	Changes
	31/03/2022	31/03/2021		To-date	Corresponding Period	
RM'000	RM'000	%	RM'000	RM'000	%	
Revenue	643,757	668,977	(3.8)	643,757	668,977	(3.8)
Gross profit	32,605	32,615	(0.0)	32,605	32,615	(0.0)
<i>GP margin %</i>	<i>5.1%</i>	<i>4.9%</i>		<i>5.1%</i>	<i>4.9%</i>	
Profit before tax	16,184	17,033	(5.0)	16,184	17,033	(5.0)
Profit for the period	11,882	12,733	(6.7)	11,882	12,733	(6.7)

Q1 FY2022 compared with Q1 FY2021

For Q1 FY2022, the revenue decreased by 3.8% to RM643.8 million from RM669.0 million last year. Despite lower sales, Gross Profit (GP) of RM32.6 million is the same as the corresponding quarter last year contributed by higher GP from the product mix.

Profit before tax (PBT) decreased by 5.0% to RM16.2 million as compared to RM17.0 million in Q1 FY2021 due to increase in operation expenses and decrease in finance income from lower cash and bank balances.

Quarterly Segmental Result

The performance of the three business segments for Q1 FY2022 compared with Q1 FY2021 were as follows:

a) ICT Distribution

Revenue decreased by 24.1% in comparison to the unusually high demand at the height of the pandemic last year that led to an anomalous bumper quarter in 2021. With lower sales and GP, PBT decreased by 34.8% to RM4.8 million from RM7.3 million last year.

b) Enterprise Systems

Revenue increased by 26.5% mainly from commercial notebook and supplies, server and networking hardware. With higher sales and GP, PBT increased by 8.0% to RM9.1 million compared with RM8.4 million last year.

c) ICT Services

Revenue increased by RM16.4 million mainly from cloud services resulting in higher PBT by RM416,000.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022
PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS
16. Financial review of current quarter compared with immediate preceding quarter

	Current Quarter 31/03/2022 RM'000	Immediate Preceding Quarter 31/12/2021 RM'000	Changes %
Revenue	643,757	763,375	(15.7)
Gross Profit	32,605	43,925	(25.8)
<i>GP margin %</i>	<i>5.1%</i>	<i>5.8%</i>	
Share of profit of equity-accounted associate, net of tax	437	786	(44.4)
Share of profit of equity-accounted joint venture, net of tax	134	131	2.3
Profit before tax	16,184	27,339	(40.8)
Profit for the period	11,882	19,816	(40.0)

Q1 FY2022 revenue decreased by 15.7% at RM643.8 million from RM763.4 million caused by decrease of 25.7% in ICT Distribution and 3.1% in Enterprise Systems. Year-end quarter normally has the highest ICT spending.

With lower sales and GP, PBT decreased by 40.8% to RM16.2 million compared with RM27.3 million of preceding quarter.

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

	Individual Quarter		Cumulative Quarter	
	Current Year 31/03/2022 RM'000	Preceding Year Corresponding Quarter 31/03/2021 RM'000	Current Year To-date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Depreciation	(706)	(683)	(706)	(683)
Written down of inventories	(1,563)	(631)	(1,563)	(631)
Other income:				
Bad debts recovered	186	1	186	1
Foreign exchange gain - Realised	533	1,124	533	1,124
Foreign exchange loss - Unrealised	(405)	(3,154)	(405)	(3,154)
Fair value gain on forward exchange contract	1,321	3,183	1,321	3,183
Fair value loss on other investment	(73)	-	(73)	-
Government grant	113	-	113	-
Others	51	2	51	2
	1,726	1,156	1,726	1,156

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

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

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

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

18. Commentaries and disclosure of other information

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

The cash and cash equivalents drop to RM45.3 million from RM72.6 million due to higher working capital requirement.

(b) Trade receivables

Trade receivables have a credit term ranging from 14 to 60 days. Aging analysis of trade receivables as at 31 March 2022 were as follows:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current (not past due)	211,759	-	211,759
Past due 1 - 30 days	120,268	-	120,268
Past due 31 - 60 days	30,036	-	30,036
Past due 61 - 90 days	7,208	-	7,208
	<hr/> 369,271	-	<hr/> 369,271
Past due more than 90 days	2,438	(801)	1,637
Individual impaired	4	(4)	-
	<hr/> 371,713	<hr/> (805)	<hr/> 370,908

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

19. Prospects

Malaysia moved to the endemic phase of Covid-19 on April 1, removing all operating restrictions on all type of businesses. Businesses are now operating normally as per the pre-Covid days.

The World Bank expects Malaysia's economy to grow by 5.5 per cent this year, driven by the recovery in domestic demand, expansion in exports, and reopening of borders.

While shipments on consumer products are back to the normal lead time, delays/incomplete shipments of enterprise products will continue due to component shortages. Consequently, implementation of enterprise projects are expected to be delayed notably in the second half of the year.

On the positive note, we have received a number of project orders on notebook and enterprise infrastructure products for nationwide deployment. We will be deploying some of the projects in this quarter.

With the continuous demand on endpoint devices and the number of pending consumer and enterprise products, we are optimistic on our prospects in Q2 and the balance of 2022.

20. Profit forecast or profit guarantee

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

21. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Year 31/03/2022 RM'000	Preceding Year Corresponding Quarter 31/03/2021 RM'000	Current Year To-date 31/03/2022 RM'000	Preceding Year Corresponding Period 31/03/2021 RM'000
Current income tax:				
Current year	4,446	4,577	4,446	4,577
Under/(Over) provision prior year	-	-	-	-
	<u>4,446</u>	<u>4,577</u>	<u>4,446</u>	<u>4,577</u>
Deferred tax	(144)	(277)	(144)	(277)
	<u>4,302</u>	<u>4,300</u>	<u>4,302</u>	<u>4,300</u>
Effective tax rate	26.6%	25.2%	26.6%	25.2%

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

22. Corporate proposals

There was no corporate proposals as at the end of the current financial period.

23. Borrowings and debt securities

The Group's borrowings as at 31 March 2022 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings:			
Bank overdraft	-	2,537	2,537
Total	-	2,537	2,537

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

24. Changes in material litigation

There was no material litigation as at the end of the current financial period.

25. Dividend

No dividend was recommended in the current quarter under review.

26. Earnings per share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Corresponding Quarter 31/03/2022	Preceding Year Corresponding Quarter 31/03/2021	Current Year To-date 31/03/2022	Preceding Year Corresponding Period 31/03/2021
Profit attributable to equity holders of the Company (RM'000)	11,882	12,733	11,882	12,733
Weighted average number of ordinary shares ('000)	356,932	357,002	356,932	357,002
Basic earnings per share (sen)	3.3	3.6	3.3	3.6
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

Comparative figures for weighted average number of ordinary shares and basic earnings per share have been restated to reflect the adjustment arising from additional 180,000,000 bonus shares issued on 4 August 2021.

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

VSTECS BERHAD

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(Incorporated in Malaysia)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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

27. Auditor's report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2021.

By order of the Board

Chua Siew Chuan
Cheng Chia Ping
Company Secretaries

18 May 2022
Selangor