

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Note	As At 31/03/2023 RM'000	As At 31/12/2022 RM'000
ASSETS			
Plant and equipment		3,051	3,051
Right-of-use assets		1,668	2,150
Intangible asset		571	571
Investment in an associate		26,287	25,760
Investment in a joint venture		13,619	13,463
Other investments		185	231
Deferred tax assets		4,393	4,328
Total non-current assets		49,774	49,554
Inventories		190,377	253,198
Receivables, deposits and prepayments		436,069	364,443
Tax recoverable		245	202
Cash and cash equivalents		63,679	46,595
Total current assets		690,370	664,438
TOTAL ASSETS		740,144	713,992
EQUITY			
Share capital		90,000	90,000
Reserves		335,963	321,116
Total equity attributable to owners of the Company		425,963	411,116
LIABILITIES			
Lease liabilities		261	308
Total non-current liabilities		261	308
Borrowings	23	40,200	13,500
Lease liabilities		1,467	1,919
Payables and accruals		264,229	279,786
Tax payable		8,024	7,363
Total current liabilities		313,920	302,568
Total liabilities		314,181	302,876
TOTAL EQUITY AND LIABILITIES		740,144	713,992
Net assets per share attributable to owners of the Company (RM)		1.19	1.15

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2023

	Note	Individual Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
		31/03/2023 RM'000	31/03/2022 RM'000	31/03/2023 RM'000	31/03/2022 RM'000
Revenue		664,742	643,757	664,742	643,757
Cost of sales		(626,830)	(611,152)	(626,830)	(611,152)
Gross profit		<u>37,912</u>	<u>32,605</u>	<u>37,912</u>	<u>32,605</u>
Distribution expenses		(13,362)	(12,550)	(13,362)	(12,550)
Administrative expenses		(6,511)	(5,897)	(6,511)	(5,897)
Net loss on impairment of financial instruments		(1,280)	(116)	(1,280)	(116)
Other income	17	2,600	1,540	2,600	1,540
Results from operating activities		<u>19,359</u>	<u>15,582</u>	<u>19,359</u>	<u>15,582</u>
Finance income		160	74	160	74
Finance costs		(313)	(43)	(313)	(43)
Net finance (expense)/income		(153)	31	(153)	31
Share of profit of equity-accounted associate, net of tax		527	437	527	437
Share of profit of equity-accounted joint venture, net of tax		156	134	156	134
Profit before tax		<u>19,889</u>	<u>16,184</u>	<u>19,889</u>	<u>16,184</u>
Tax expense	21	(5,042)	(4,302)	(5,042)	(4,302)
Profit for the period/ Total comprehensive income for the period		<u>14,847</u>	<u>11,882</u>	<u>14,847</u>	<u>11,882</u>
Profit for the period/ Total comprehensive income for the period attributable to:					
Owners of the Company		14,847	11,882	14,847	11,882
Non-controlling interest		-	-	-	-
		<u>14,847</u>	<u>11,882</u>	<u>14,847</u>	<u>11,882</u>
Earnings per share attributable to owners of the Company:					
Basic (sen)	26	4.2	3.3	4.2	3.3
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 2022 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 2023**

	<- Attributable to owners of the Company - >				Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Owns 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>
At 1 January 2023	90,000	(1,948)	323,064	411,116	-	411,116
Profit for the period/ Total comprehensive income for the period	-	-	14,847	14,847	-	14,847
At 31 March 2023	<u>90,000</u>	<u>(1,948)</u>	<u>337,911</u>	<u>425,963</u>	<u>-</u>	<u>425,963</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 2022 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 2023**

	Note	Three Months Ended	
		31/03/2023 RM'000	31/03/2022 RM'000
Cash Flows from Operating Activities			
Profit before tax		19,889	16,184
<i>Adjustments for:</i>			
Non-cash items		(982)	(137)
Non-operating items		(530)	(602)
Operating profit before changes in working capital		18,377	15,445
Change in inventories		62,821	29,620
Change in receivables, deposits and prepayment		(71,566)	(38,205)
Change in payables and accruals		(4,908)	(26,892)
Cash generated from/(used in) operations		4,724	(20,032)
Tax paid	18(a)	(4,489)	(6,466)
Net cash from/(used in) operating activities		235	(26,498)
Cash Flows from Investing Activities			
Acquisition of plant and equipment		(293)	(410)
Proceeds from disposal of plant and equipment		8	-
Purchase of other investment		-	(300)
Dividend income from a joint venture		-	600
Net cash used in investing activities		(285)	(110)
Cash Flows from Financing Activities			
Proceeds from borrowings		26,700	-
Interest received		160	74
Interest paid		(313)	(43)
Payment of lease liabilities		(499)	(478)
Repurchase of treasury shares		-	(323)
Dividend paid		(8,914)	-
Net cash from/(used in) financing activities		17,134	(770)
Net increase/(decrease) in cash and cash equivalents		17,084	(27,378)
Cash and cash equivalents at beginning of period		46,595	72,652
Cash and cash equivalents at end of period		63,679	45,274
Cash and cash equivalents comprise the following:			
Cash and bank balances		63,679	47,811
Less: Bank overdraft		-	(2,537)
		63,679	45,274

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 2022.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2022 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 2022, except with the adoption of the following:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRS 17 and amendments to MFRS 17 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 2023

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 in the current financial year-to-date.

7. Dividends paid

A single-tier first interim dividend of 2.5 sen per share totalling RM8,914,000 in respect of the financial year ended 31 December 2022 was paid on 18 January 2023.

A single-tier second interim dividend of 3.7 sen per share, totalling RM13,193,000 in respect of the financial year ended 31 December 2022 was paid on 16 May 2023.

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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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

8. Segmental reporting (continue)

(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 2023</u>				
External revenue	240,271	375,964	48,507	664,742
Inter-segment revenue	864	3,531	3,195	7,590
Total revenue	<u>241,135</u>	<u>379,495</u>	<u>51,702</u>	<u>672,332</u>
Reportable segment profit before tax	<u>5,871</u>	<u>11,258</u>	<u>1,512</u>	<u>18,641</u>
<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>

(b) Reconciliation of reportable segment profit and loss:

	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
Total profit before tax for reportable segments	18,641	14,885
Other non-reportable segments profit	1,248	1,904
Eliminate of inter-segments profit	-	(605)
Consolidated profit before tax	<u>19,889</u>	<u>16,184</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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

8. Segmental reporting (continue)

(c) Disaggregation of the Group's revenue

	Current Year-to-date 31/03/2023		Preceding Year-to-date 31/03/2022	
	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	240,271	-	321,119	-
Enterprise Systems				
Commercial Desktop, PC and notebooks. Server, storage, software and networking products	375,964	-	287,918	-
ICT Services				
Services, cloud and maintenance	47,993	514	34,030	690
	<u>664,228</u>	<u>514</u>	<u>643,067</u>	<u>690</u>

(d) Segment assets

	As at 31/03/2023 RM'000	As at 31/12/2022 RM'000
ICT Distribution	458,577	437,876
Enterprise Systems	218,782	252,801
ICT Services	11,590	11,581
Total reportable segment assets	<u>688,949</u>	<u>702,258</u>
	As at 31/03/2023 RM'000	As at 31/12/2022 RM'000
<u>Reconciliation of reportable segment assets:</u>		
Total reportable segment assets	688,949	702,258
Other non-reportable segments assets	140,754	149,244
Elimination of inter-segment balances	(89,559)	(137,510)
Consolidated total assets	<u>740,144</u>	<u>713,992</u>

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

(e) Segment liabilities

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

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023
PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING
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 31/03/2023 RM'000	As At 31/12/2022 RM'000
Guarantees to suppliers and licensed banks for trade credit facilities granted by holding company to Group entities	145,218	145,208

(b) Contingent assets

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

12. Capital commitments

The capital expenditure contracted but not provided for as at the end of the current financial period amounted to RM285,000.

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 31/03/2023 RM'000	Current Year To-date 31/03/2023 RM'000
Addition to plant and equipment	293	293

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023****PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING****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 31/03/2023 RM'000	Balance Due From/(To) As at 31/03/2023 RM'000
Transactions with an affiliated company:		
Purchases	(8)	-
Support services	(141)	(141)
Transactions with joint venture company:		
Lease liabilities	(480)	-
Administrative and accounting charges	2	2
Transactions with an associate company:		
Sales	77	32
Support services	(10)	(10)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 Quarter 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Changes %	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000	Changes %
Revenue	664,742	643,757	3.3	664,742	643,757	3.3
Gross profit	37,912	32,605	16.3	37,912	32,605	16.3
GP margin %	5.7%	5.1%		5.7%	5.1%	
Profit before tax	19,889	16,184	22.9	19,889	16,184	22.9
Profit for the period	14,847	11,882	25.0	14,847	11,882	25.0

Q1 FY2023 compared with Q1 FY2022

For Q1 FY2023, the revenue increased by 3.3% to RM664.7 million from RM643.8 million last year mainly due to higher sales from Enterprise Systems mitigated lower sales from consumer products of ICT Distribution Segment. With higher sales and higher Gross Profit (GP) margin of 5.7% compared with 5.1% last year, GP increased by 16.3% to RM37.9 million from RM32.6 million last year.

With higher sales and GP, Profit before tax (PBT) increased by 22.9% to RM19.9 million as compared to RM16.2 million last year.

Quarterly Segmental Result

The performance of the three business segments for Q1 FY2023 compared with Q1 FY2022 were as follows:

a) ICT Distribution

Revenue decreased by 25.2% across all major products due to slow down in consumer market. However, with higher GP margin and lower operating expenses, PBT increased by 22.8% to RM5.9 million compared with RM4.8 million last year.

b) Enterprise Systems

Revenue increased by 30.6% mainly from commercial notebook and PC. There were higher project transactions during the quarter. With higher sales and GP, PBT increased by 24.0% to RM11.3 million compared with RM9.1 million last year.

c) ICT Services

Revenue increased by RM13.8 million from cloud and maintenance services. With higher sales and GP, PBT increased by RM489,000 to RM1.5 million from RM1.0 million last year.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 31/03/2023 RM'000	Immediate Preceding Quarter 31/12/2022 RM'000	Changes %
Revenue	664,742	683,238	(2.7)
Gross Profit	37,912	39,915	(5.0)
<i>GP margin %</i>	5.7%	5.8%	
Share of profit of equity-accounted associate, net of tax	527	1,361	(61.3)
Share of profit of equity-accounted joint venture, net of tax	156	110	41.8
Profit before tax	19,889	24,084	(17.4)
Profit for the period	14,847	18,252	(18.7)

Q1 FY2023 revenue decreased by 2.7% at RM664.7 million from RM683.2 million caused by decrease of 16.8% in ICT Distribution and 26.1% in ICT Services. Year-end quarter normally has the highest ICT spending.

With lower sales and GP, PBT decreased by 17.4% to RM19.9 million compared with RM24.1 million of preceding quarter.

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

	Individual Quarter		Cumulative Quarter	
	Current Year 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
Depreciation	(761)	(706)	(761)	(706)
Written down of inventories	(621)	(1,563)	(621)	(1,563)
Other income/(expense):				
Foreign exchange gain - Realised	856	533	856	533
Foreign exchange loss - Unrealised	(2,555)	(405)	(2,555)	(405)
Fair value gain on forward exchange contract	4,350	1,321	4,350	1,321
Fair value loss on other investment	(46)	(73)	(46)	(73)
Loss on fixed assets disposal/written off	(6)	-	(6)	-
Government grant	-	113	-	113
Others	1	51	1	51
	2,600	1,540	2,600	1,540

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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

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

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

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

18. Commentaries and disclosure of other information

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

Tax payment was higher at RM6.5 million last year. This was due to additional tax payment of RM707,000 for previous assessment years and higher tax instalment from 11th month revision YA2021.

(b) Trade receivables

Trade receivables have a credit term ranging from 14 to 60 days. Aging analysis of trade receivables as at 31 March 2023 were as follows:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current (not past due)	235,596	-	235,596
Past due 1 - 30 days	99,906	-	99,906
Past due 31 - 60 days	45,304	-	45,304
Past due 61 - 90 days	21,970	-	21,970
	<hr/>		
Past due more than 90 days	402,776	-	402,776
Individual impaired	14,764	(2,043)	12,721
	-	-	-
	<hr/>		
	417,540	(2,043)	415,497
	<hr/>		

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 2023**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS****19. Prospects**

Despite the inflation rate easing in Q1 2023, Bank Negara Malaysia resumed monetary tightening by increasing the overnight policy rate by 25 basis points to 3%. This will negatively impact current consumer spending and sentiment.

The demand on consumer products continues to slow and this weakening buying trend may continue for the next few quarters.

Despite the economic challenges, the enterprise sector continues to demonstrate remarkable resilience and strength with many opportunities from cloud services and datacentres. We continue to work on large project opportunities from the GLC and public sector.

While we are cautious on the consumer sector, the outlook for the enterprise sector continues to remain strong for Q2 2023 and the balance of FY2023.

20. Profit forecast or profit guarantee

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

21. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2023 RM'000	Preceding Year Corresponding Quarter 31/03/2022 RM'000	Current Year To-date 31/03/2023 RM'000	Preceding Year Corresponding Period 31/03/2022 RM'000
Current income tax:				
Current year	5,107	4,446	5,107	4,446
Under provision prior year	-	-	-	-
	<u>5,107</u>	<u>4,446</u>	<u>5,107</u>	<u>4,446</u>
Deferred tax	(65)	(144)	(65)	(144)
	<u>5,042</u>	<u>4,302</u>	<u>5,042</u>	<u>4,302</u>
Effective tax rate	25.4%	26.6%	25.4%	26.6%

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 2023

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 2023 were as follows:

	Unsecured RM'000
Short-term borrowings:	
Banker's Acceptances	40,200
Total	<u>40,200</u>

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 Quarter 31/03/2023	Preceding Year Corresponding Quarter 31/03/2022	Current Year To-date 31/03/2023	Preceding Year Corresponding Period 31/03/2022
Profit attributable to equity holders of the Company (RM'000)	14,847	11,882	14,847	11,882
Weighted average number of ordinary shares ('000)	356,555	356,932	356,555	356,932
Basic earnings per share (sen)	4.2	3.3	4.2	3.3
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

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

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)



UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 2022.

By order of the Board

Chua Siew Chuan
Cheng Chia Ping
Company Secretaries

17 May 2023
Selangor