

Press Release

For Immediate Distribution

VSTECS TO CAPITALISE ON STRATEGIC TECHNOLOGIES

KUALA LUMPUR, 15 MAY 2024 - VSTECS Berhad (“VSTECS”, 偉仕佳杰, Stock Code:5162), Malaysia’s leading Information & Communications Technology (“ICT”) distributor has today released its first quarter financial results for the three (3) months ended 31 March 2024 (“**1Q FY2024**”).

In 1Q FY2024, VSTECS reported revenue of RM616.4 million, a slight decrease of 7% compared to the same quarter of the preceding year. This was mostly attributable to the timing of projects within the Enterprise Systems segment. The ICT Services segment maintained a strong revenue trajectory, increasing by 61% year-on-year (“**YoY**”), buoyed by cloud and data centre (“**DC**”) services. Additionally, the ICT Distribution segment showed promising signs of recovery with revenue growing 9% YoY after two consecutive years of subdued consumer spending. Profit after tax (“**PAT**”) tapered by 4% to RM14.3 million compared to RM14.8 million in 1Q FY2023.

With its highly cash-generative business characterised by swift cash conversion, the Group continued to generate healthy cash inflow from operating activities amounting to RM11.7 million during the quarter. As at 31 March 2024, the net cash position stood at RM114.5 million and VSTECS is well-equipped to seize expansion opportunities with a robust balance sheet.

Chief Executive Officer of VSTECS, **Mr. JH Soong <宋昭雄>**, commented: "The first quarter of the year is typically a subdued period for consumer and enterprise ICT spending due to the festive holidays. This year, the close occurrence of Chinese New Year and Hari Raya Aidilfitri amplified this effect, delaying several enterprise projects. Despite a slightly softer performance, we are satisfied with our results and look forward to the coming quarters with optimism across all three segments."

We anticipate increasing momentum in the **ICT Distribution** segment as the replacement cycle for pandemic-era devices gains traction, particularly with the impending launch of AI-capable notebooks driving additional demand. Our commitment is to stay ahead of the curve by continuously introducing the latest endpoint devices while broadening our nationwide channel coverage to capture a bigger market share.

The **Enterprise Systems** segment remains poised for growth, bolstered by ongoing private sector investments in technology infrastructure and more public sector projects. In addition to higher project-driven revenue streams, recurring income from cloud subscriptions will grow, facilitated by our partnerships with top-tier hyperscalers. With an extensive range of products and solutions, we offer seamless access for enterprises looking to initiate cloud migration or enhance their existing cloud infrastructure. We will widen our offering in areas such as Artificial Intelligence (“AI”), cybersecurity, and DC server solutions to capitalise on the rising demand for these strategic technologies.

Our newest segment, **ICT Services**, has experienced a rapid surge driven by increasing demand for cloud and DC services. We are scaling up our resources in this segment to cater for the service requirements for upcoming projects within our Enterprise Systems segment and in preparation for the launch of several DCs in Malaysia over the coming months.

VSTECS now stands as the leading ICT distributor with service capabilities, playing a central role in the ICT ecosystem. Our strong partnerships and nationwide channel network bridge principals with end-users, and our diverse portfolio positions us for sustained growth while delivering returns to our shareholders, " he added.

ABOUT VSTECS BERHAD

VSTECS Berhad (“VSTECS”) and its subsidiaries are a leading distribution hub for Information & Communications Technology (“ICT”) products, enterprise systems and provides ICT support and technical services in Malaysia. Listed on the Main Market of Bursa Malaysia Securities Berhad, VSTECS is an associate company of VSTECS Holdings (Singapore) Limited, which is in turn held by VSTECS Holdings Limited, a company listed on the Hong Kong Stock Exchange.

VSTECS distributes a comprehensive range of ICT products with over 40 leading principals and a nationwide channel network of more than 3,600 resellers comprising retailers, system integrators and corporate dealers. For more information, please visit www.vsteecs.com.my.

For general enquiries, please contact:

Eva Loh
Tel: +603 6286 8201
E-Mail: syloh@vsteecs.com.my

For media enquiries, please contact:

Sandy Yap
Tel: +603 2712 1862
E-Mail: ir@ibes-advisory.com