

Press Release

For Immediate Distribution

VSTECS TO HARNESS DATA CENTRE, CLOUD & AI OPPORTUNITIES

KUALA LUMPUR, 14 AUGUST 2024 - VSTECS Berhad (“VSTECS”, 偉仕佳杰, Stock Code:5162), Malaysia’s leading Information & Communications Technology (“ICT”) distributor has today released its second quarter financial results for the three (3) months ended 30 June 2024 (“**2Q FY2024**”).

In 2Q FY2024, VSTECS reported revenue of RM624.4 million, reflecting a 2.6% increase compared to the same quarter of the previous year. This growth was achieved despite a temporary slowdown in the Enterprise Systems segment as the Group awaited the finalisation and implementation of several public sector contracts. This was mitigated by the ICT Distribution segment’s growth, driven by the due replacement cycle of consumer IT products purchased during the pandemic. The ICT Services segment also continued its upward trajectory, supported by increasing demand for Cloud Services. Profit after tax and Minority Interest (“**PATAMI**”) for 2Q FY2024 was RM15.2 million, compared to RM15.7 million in 2Q FY2023.

In the first six (6) months of the year (“**6M FY2024**”), the Group posted a slightly lower revenue of RM1.24 billion as compared to RM1.27 billion in 6M FY2023. Accordingly, PATAMI moderated by 3.0% to RM29.6 million in 6M FY2024. The Group sustained strong cash inflows from operating activities, amounting to RM31.8 million for the first half of FY2024. As of 30 June 2024, the net cash position stood at RM120.2 million, positioning VSTECS to capitalise on expansion opportunities with a solid balance sheet.

Chief Executive Officer of VSTECS, **Mr. JH Soong <宋昭雄>**, commented: "We are pleased to report satisfactory results for the second quarter despite some temporary delays in the implementation of various public sector projects. We remain optimistic about the resumption of these projects in the coming months, which, combined with the robust performance of our ICT Distribution and ICT Services segments, positions us well for the second half of the year.

The **ICT Distribution** segment, serving the consumer market, has exhibited significant growth momentum since the beginning of the year. This positive trajectory is expected to continue as we witness a surge in consumer product and AI-enabled device launches. These developments will not only cater to the replacement cycle but also address the increasing demand for tools that enhance productivity and creativity.

Under our **Enterprise Systems** segment, we continue to offer a comprehensive suite of products for data centres, ranging from software to servers and power solutions, many of which are AI-enabled. We are actively collaborating with our partners and enterprise clients to capitalise on the burgeoning opportunities in this space. The upcoming launch of hyper-scaler and co-location data centres in Malaysia is a pivotal development that will undoubtedly accelerate cloud adoption, benefiting our **ICT Services** segment. In recent months, we have enjoyed consistent growth in cloud services and subscription revenue and expect this to accelerate as more and more enterprises move to the cloud for increased efficiency, scalability, and cost-effectiveness.

Moving forward, we are committed to enhancing our portfolio in the Data Centre and AI space by onboarding more strategic brands from global technology leaders. By introducing the latest and most advanced technologies to the Malaysian market, we aim to meet the evolving demands of our customers and drive sustainable growth", 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.vstecs.com.my.

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