

## **Press Release**

**For Immediate Distribution**

# **VSTECs BERHAD ACHIEVES RECORD NET PROFIT OF RM70.6 MILLION FOR FY2024**

*Declares Second Interim Dividend of 4.1 sen per share & Special Dividend of 0.8 sen per share*

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**KUALA LUMPUR, 26 FEBRUARY 2025 - VSTECs Berhad ("VSTECs", 偉仕佳杰, Stock Code:5162)**, Malaysia's leading Information & Communications Technology ("ICT") distributor, has today reported its fourth quarter financial results, achieving record-breaking revenue and profitability for the financial year ended 31 December 2024 ("**FY2024**").

For FY2024, revenue reached RM2.90 billion, rising by 6%, while net profit was RM70.6 million, marking a 5% year-on-year ("**YoY**") increase. This performance was primarily driven by the ICT Services and ICT Distribution segments, which recorded full-year growth of 21% and 18%, respectively. During the year, the Group's consumer business under the ICT Distribution segment continued its steady momentum, supported by higher volumes from new smartphone launches and growing demand for AI-enabled notebooks. Meanwhile, the ICT Services segment maintained its upward trajectory, fueled by increasing demand for cloud services and higher maintenance revenue. The Enterprise Systems segment experienced a temporary slowdown in public sector projects, resulting in a slight revenue contraction of 6% for the year.

The Group's 40%-owned associate, ISATEC Sdn Bhd ("**ISATEC**"), also performed well, buoyed by digitalisation projects across various industries and e-invoicing roll-outs. ISATEC contributed RM3.3 million in FY2024, an increase of 22% from the preceding year.

For the quarter ended 31 December 2024 ("**4Q FY2024**"), the Group recorded revenue of RM819.2 million and net profit of RM21.4 million. The decline in net profit as compared to net profit of RM24.2 million in the same quarter last year was mainly due to a higher effective tax rate, as tax credits were recognised in the previous year's corresponding quarter. With this set of results, VSTECs declared a second interim dividend of 4.1 sen per share and a special dividend of 0.8 sen per share, payable on 13 May 2025, rewarding shareholders for their continued support. To date, total dividends of 7.7 sen per share have been declared for FY2024, representing a payout ratio of 39%.

Chief Executive Officer of VSTECS, **Mr. JH Soong** <宋昭雄>, commented: "We are every grateful to close FY2024 on a strong note, achieving a new record revenue and profitability. This marks our sixth consecutive year of growth, reaffirming our agility and leadership in a rapidly evolving ICT landscape. As we step into 2025, we are confident in the opportunities ahead, driven by the relentless pace of digital adoption, expanding AI applications, and rising demand for next-generation technologies.

We anticipate sustained momentum in our **ICT Distribution** segment, fueled by strong demand for AI-enabled notebooks, next-generation smartphones, and other emerging consumer technologies. The proliferation of AI devices and enhanced computing capabilities will spur upgrade cycles, while new product launches from major brands will further boost revenue as consumers continue to seek the latest and most advanced technology.

Despite a temporary slowdown in the **Enterprise Systems** segment, we anticipate a rebound as public sector projects are expected to gain traction in 2025. Additionally, enterprises are ramping up investments in AI, data centres, and digital transformation initiatives, presenting new opportunities for infrastructure deployments and solution offerings. The new open-source era is set to democratise AI, reducing development costs and making AI more accessible to enterprises of all sizes. To capitalise on this, we are expanding our AI infrastructure solutions and offering flexible deployment models, enabling businesses to harness AI-driven capabilities across industries.

Our **ICT Services** segment is also primed for further expansion, supported by increasing adoption of cloud solutions, cybersecurity advancements, and greater demand for IT services. As businesses fast-track their digital transformation, we expect to see stronger recurring revenue from this segment.

Looking at the traction across all segments, 2025 is set to be an exciting year for us. The groundwork we have laid over the years is now driving tangible results. We have built a solid platform as a key enabler in the digital ecosystem and are well-positioned to capitalise on emerging opportunities, particularly in AI, to expand our market share. With clear strategies and strong execution, we are confident in delivering sustained growth and long-term value creation," he added.

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## **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](http://www.vstecs.com.my).

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