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Press Release

For Immediate Distribution

VSTECS Posts Revenue of RM421.8 million with 49.2% higher Profit Before Tax of RM8.5 million for Q2FY19

KUALA LUMPUR, 08 AUGUST 2019 – VSTECS Berhad (formerly known as ECS ICT Berhad) (VSTECS, 偉仕佳杰; Reuters: VSTE.KL) (“VSTECS” or “The Group”), Malaysia’s leading Information & Communications Technology (“ICT”) distributor, today announced its financial results for the second quarter ended 30 June 2019 (“**Q2FY19**”) posting a 17.7% increase in revenue to RM421.8 million compared to RM358.2 million in the preceding year’s corresponding quarter (“**Q2FY18**”), mainly due to the improved market sentiment compared to last year.

For Q2FY19, The Group’s gross profit (“**GP**”) increased by 20.5% to RM21.9 million, compared to RM18.2 million recorded for Q2FY18, mainly due to higher sales. With the higher GP, The Group’s Profit Before Tax (“**PBT**”) and Profit After Tax (“**PAT**”) increased significantly by 49.2% and 48.7%, at RM8.5 million and RM6.4 million as compared to RM5.7 million and RM4.3 million recorded in Q2FY18 respectively.

VSTECS’s three business segments showed improvement in performance for Q2FY19 as compared to Q2FY18. The Group’s ICT distribution segment contributed RM286.1 million to the total revenue, an increase of 12.8% as compared to RM253.6 million for Q2FY18. On the other hand, the Enterprise Systems segments posted RM122.1 million for Q2FY19, an increase of 29.5% as compared to RM94.3 million last year. The Group’s ICT Services segment increased by 31.9% at RM13.6 million for Q2FY19 as compared to RM10.3 million in the preceding year.

| Financial Summary (Unaudited Consolidated Results) | | | | | | |
|--|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
| (RM’ 000) | Q2FY19 30.06.19 | Q2FY18 30.06.18 | Change (%) | 6MFY19 30.06.19 | 6MFY18 30.06.18 | Change (%) |
| Revenue | 421,783 | 358,213 | 17.7 | 800,616 | 750,008 | 6.7 |
| GP | 21,906 | 18,182 | 20.5 | 40,178 | 38,148 | 5.3 |
| PBT | 8,515 | 5,709 | 49.2 | 14,649 | 11,558 | 26.7 |
| PAT | 6,357 | 4,274 | 48.7 | 10,602 | 8,655 | 22.5 |
| Basic EPS (sen)* | 3.5 | 2.4 | 45.8 | 5.9 | 4.8 | 22.9 |
| Weighted average number of ordinary shares (‘000) | 179,995 | 180,000 | | 179,998 | 180,000 | |

Chief Executive Officer of VSTECS, Mr. Soong Jan Hsung said: “The Group’s revenue for the first 6 months of FY19 increased by 6.7% to RM800.6 million, compared to the RM750.0 million last year and was driven by contributions from all three segments. However, we expect global uncertainties, especially the trade war between

China and the US, to affect the overall market. Consumer sentiment for ICT products remains cautious, but we expect new smartphones and Notebook PCs to be launched in the second-half of 2019 to spur consumer interest and demand.”

“On the Enterprise Systems and ICT Services segments, we continue to focus our investments into cloud datacentre, hyperconverged infrastructure and cybersecurity products to expand our enterprise business. We are optimistic on the outlook for the second half of 2019, as we can see the demand for the enterprise ICT products has improved for the last few months with more private sector projects and public sector tenders as well. We expect these enterprise ICT projects to be awarded by the second half of 2019.”, **Mr. Soong** added.

ABOUT VSTECS BERHAD

VSTECS Berhad (“VSTECS”) (formerly known as *ECS ICT Berhad*), a MSC-status company and its subsidiaries (“**The Group**”), is a leading distribution hub for Information & Communications Technology (“ICT”) products in Malaysia. Listed on the Main Market of Bursa Malaysia Securities Berhad on 15 April 2010, VSTECS is an associate company of VSTECS Holdings (Singapore) Limited (formerly known as ECS Holdings Limited) which is one of the leading ICT distributors in the Asia Pacific, with access to a network of more than 25,000 channel partners across China, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Cambodia, Laos and Myanmar.

VSTECS distributes a comprehensive range of ICT products comprising notebooks, personal computers, smartphones, smartwatches, tablets, printers, software, network and communication infrastructure, servers, and enterprise software with over 40 leading principals. With a nationwide channel network of more than 6,600 resellers comprising retailers, system integrators and corporate dealers, VSTECS also provides value-added product support and technical services. For more information, please visit www.vsteecs.com.my

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