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Press Release

For Immediate Distribution

VSTECS Posts 16.4% Increase in 9 Months Profit Before Tax to RM25.4 million for FY2019

Declares Interim Dividend of 2.5 Sen Per Share

KUALA LUMPUR, 07 NOVEMBER 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 nine (9) months financial results for the third quarter ended 30 September 2019 (“**Q3FY19**”) posting a 6.2% increase in revenue to RM1.26 billion compared to RM1.19 billion in similar period of the preceding year.

The Group’s nine (9) months Profit Before Tax (“**PBT**”) and Profit After Tax (“**PAT**”) increased by 16.4% and 15.6%, to RM25.4 million and RM18.9 million as compared to RM21.8 million and RM16.3 million recorded in 9MFY18, respectively.

All three business segments showed improvement in performance for Q3FY19 as compared to Q3FY18. The Group’s ICT distribution segment contributed RM309.7 million to total revenue, an increase of 1.1% as compared to RM306.2 million for Q3FY18. The Enterprise Systems segment posted RM135.5 million for Q3FY19, an increase of 12.1% as compared to RM120.9 million last year. The Group’s ICT Services segment increased by 57.2% at RM14.3 million for Q3FY19 as compared to RM9.1 million in the preceding year.

| Financial Summary (Unaudited Consolidated Results) | | | | | | |
|--|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
| RM'000 | Q3FY19 30.09.19 | Q3FY18 30.09.18 | Change (%) | 9MFY19 30.09.19 | 9MFY18 30.09.18 | Change (%) |
| Revenue | 459,572 | 436,211 | 5.4 | 1,260,188 | 1,186,219 | 6.2 |
| GP | 24,816 | 24,111 | 2.9 | 64,994 | 62,259 | 4.4 |
| PBT | 10,702 | 10,218 | 4.7 | 25,351 | 21,776 | 16.4 |
| PAT | 8,257 | 7,666 | 7.7 | 18,859 | 16,321 | 15.6 |
| Basic EPS (sen)* | 4.6 | 4.3 | 7.0 | 10.5 | 9.1 | 15.4 |
| Weighted average number of ordinary shares ('000) | 179,222 | 180,000 | | 179,737 | 180,000 | |

Chief Executive Officer of VSTECS, Mr. Soong Jan Hsung said: “We are excited to see a healthy growth in PBT for 9MFY19 and our newly acquired associate company ISATEC Sdn Bhd contributed RM1.1 million to our bottom line. Our performance year-to-date is a good representation of the trajectory for FY19 and we expect a few more large projects to be completed by the end of the year.”

“We are constantly expanding our retail business by increasing the number of ICT principals and products. For the Enterprise Systems and ICT Services Segments, we have experienced increased activities from corporations and the public sector with implementation of IT infrastructure upgrades and software renewals driven by digitalisation and automation initiatives”, **Mr. Soong** added.

ABOUT VSTECS BERHAD

VSTECS Berhad (“VSTECS”) (formerly known as *ECS ICT Berhad*), and its subsidiaries (“**The Group**”), is 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 (formerly known as ECS Holdings Limited) which is in turn held by VST Holdings Limited, a company listed on the Hong Kong Stock Exchange.

VSTECS distributes a comprehensive range of ICT products with over 40 leading principals with a nationwide channel network of more than 6,600 resellers comprising retailers, system integrators and corporate dealers. For more information, please visit www.vsteecs.com.my

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