

**VSTECS BERHAD**

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	Note	As At 31/03/2024 RM'000	As At 31/12/2023 RM'000
<b>ASSETS</b>			
Plant and equipment		3,908	3,717
Right-of-use assets		5,270	5,761
Intangible asset		571	571
Investment in an associate		27,423	27,085
Investment in a joint venture		13,574	13,415
Other investments		149	154
Deferred tax assets		7,765	6,905
Receivables and deposits		3,208	3,175
<b>Total non-current assets</b>		<u>61,868</u>	<u>60,783</u>
Inventories		168,803	200,802
Receivables, deposits and prepayments		375,650	409,923
Tax recoverable		126	176
Cash and cash equivalents	18 (a)	120,281	150,851
<b>Total current assets</b>		<u>664,860</u>	<u>761,752</u>
<b>TOTAL ASSETS</b>		<u>726,728</u>	<u>822,535</u>
<b>EQUITY</b>			
Share capital		90,000	90,000
Reserves		380,756	366,435
<b>Total equity attributable to owners of the Company</b>		<u>470,756</u>	<u>456,435</u>
<b>LIABILITIES</b>			
Borrowings	23	194	67
Lease liabilities		3,392	3,884
<b>Total non-current liabilities</b>		<u>3,586</u>	<u>3,951</u>
Borrowings	23	257	33,400
Lease liabilities		1,907	1,887
Payables and accruals		246,743	324,411
Tax payable		3,479	2,451
<b>Total current liabilities</b>		<u>252,386</u>	<u>362,149</u>
<b>Total liabilities</b>		<u>255,972</u>	<u>366,100</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>726,728</u>	<u>822,535</u>
Net assets per share attributable to owners of the Company (RM)		1.32	1.28

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.*

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(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2024**

	Note	Individual Quarter Three Months Ended		Cumulative Quarter Three Months Ended	
		31/03/2024 RM'000	31/03/2023 RM'000	31/03/2024 RM'000	31/03/2023 RM'000
<b>Revenue</b>		616,363	664,742	616,363	664,742
Cost of sales		(578,349)	(626,830)	(578,349)	(626,830)
<b>Gross profit</b>		<u>38,014</u>	<u>37,912</u>	<u>38,014</u>	<u>37,912</u>
Distribution expenses		(13,446)	(13,362)	(13,446)	(13,362)
Administrative expenses		(7,515)	(6,511)	(7,515)	(6,511)
Net loss on impairment of financial instruments		(124)	(1,280)	(124)	(1,280)
Other income	17	907	2,600	907	2,600
<b>Results from operating activities</b>		<u>17,836</u>	<u>19,359</u>	<u>17,836</u>	<u>19,359</u>
Finance income		734	160	734	160
Finance costs		(198)	(313)	(198)	(313)
Net finance income/(expense)		536	(153)	536	(153)
Share of profit of equity-accounted associate, net of tax		338	527	338	527
Share of profit of equity-accounted joint venture, net of tax		159	156	159	156
<b>Profit before tax</b>		<u>18,869</u>	<u>19,889</u>	<u>18,869</u>	<u>19,889</u>
Tax expense	21	(4,548)	(5,042)	(4,548)	(5,042)
<b>Profit for the period/ Total comprehensive income for the period</b>		<u>14,321</u>	<u>14,847</u>	<u>14,321</u>	<u>14,847</u>
<b>Profit for the period/ Total comprehensive income for the period attributable to:</b>					
Owners of the Company		14,321	14,847	14,321	14,847
Non-controlling interest		-	-	-	-
		<u>14,321</u>	<u>14,847</u>	<u>14,321</u>	<u>14,847</u>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic (sen)	26	4.0	4.2	4.0	4.2
Diluted (sen)		N/A	N/A	N/A	N/A

Notes:

N/A Not applicable

*The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2024**

	<- Attributable to owners of the Company - >				Non-Controlling Interest	Total Equity
	Share Capital	Treasury Shares	Distributable Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	90,000	(1,948)	323,064	411,116	-	411,116
Profit for the period/ Total comprehensive income for the period	-	-	14,847	14,847	-	14,847
At 31 March 2023	90,000	(1,948)	337,911	425,963	-	425,963
At 1 January 2024	90,000	(1,948)	368,383	456,435	-	456,435
Profit for the period/ Total comprehensive income for the period	-	-	14,321	14,321	-	14,321
At 31 March 2024	90,000	(1,948)	382,704	470,756	-	470,756

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 31 MARCH 2024**

	Note	Three Months Ended	
		31/03/2024 RM'000	31/03/2023 RM'000
<b>Cash Flows from Operating Activities</b>			
Profit before tax		18,869	19,889
<i>Adjustments for:</i>			
Non-cash items		636	(982)
Non-operating items		(1,033)	(530)
Operating profit before changes in working capital		18,472	18,377
Change in inventories		31,999	62,821
Change in receivables, deposits and prepayment		34,622	(71,566)
Change in payables and accruals		(69,014)	(4,908)
Cash generated from operations		16,079	4,724
Tax paid		(4,330)	(4,489)
Net cash from operating activities		11,749	235
<b>Cash Flows from Investing Activities</b>			
Acquisition of plant and equipment		(235)	(293)
Proceeds from disposal of plant and equipment		148	8
Net cash used in investing activities		(87)	(285)
<b>Cash Flows from Financing Activities</b>			
(Repayment of)/Proceeds from borrowings	18 (a)	(33,316)	26,700
Interest received		668	160
Interest paid		(198)	(313)
Payment of lease liabilities		(472)	(499)
Dividend paid		(8,914)	(8,914)
Net cash (used in)/generated from financing activities		(42,232)	17,134
<b>Net (decrease)/increase in cash and cash equivalents</b>		(30,570)	17,084
Cash and cash equivalents at beginning of period		150,851	46,595
<b>Cash and cash equivalents at end of period</b>		120,281	63,679
<b>Cash and cash equivalents comprise the following:</b>			
Cash and bank balances		120,281	63,679

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.*

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**1. Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 31 December 2023.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2023 are available upon request from the Company's registered office at: Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

**2. Significant accounting policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with the audited financial statements for the financial year ended 31 December 2023, except with the adoption of the following:

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024***

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures – Supplier Finance Arrangements*

The adoption of the above standards, interpretations or amendments are not expected to have material financial impact to the financial statements of the Group.

**3. Seasonal or cyclical factors**

The Group's operations were not significantly affected by seasonal or cyclical factors.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**4. Unusual items**

There were no significant unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial quarter.

**5. Material changes in estimates**

There was no estimation made for the current financial quarter results.

**6. Debt and equity securities**

There were no issuances, cancellations, resale and repayments of debt and equity securities in the current financial year-to-date.

**7. Dividends paid**

A single-tier first interim dividend of 2.5 sen per share, totalling RM8,914,000 in respect of the financial year ended 31 December 2023 was paid on 12 January 2024.

**8. Segmental reporting**

Segment information is presented in respect of the Group's business segments.

The Group business segments comprise the following:

- (i) ICT Distribution      Distribution of consumer ICT products to resellers, comprising mainly retailers
- (ii) Enterprise Systems      Distribution of commercial and enterprise ICT products to resellers, comprising mainly system integrators and corporate dealers
- (iii) ICT Services      Provision of ICT services

Other non-reportable segments comprise management services and investment holding.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**8. Segmental reporting (continue)**

**(a) Information about reportable segments**

	<b>ICT Distribution RM'000</b>	<b>Enterprise Systems RM'000</b>	<b>ICT Services RM'000</b>	<b>Total RM'000</b>
<b><u>3 months financial period ended 31 March 2024</u></b>				
External revenue	261,430	276,859	78,074	616,363
Inter-segment revenue	1,005	677	3,276	4,958
Total revenue	<u>262,435</u>	<u>277,536</u>	<u>81,350</u>	<u>621,321</u>
Reportable segment profit before tax	<u>4,853</u>	<u>10,759</u>	<u>1,939</u>	<u>17,551</u>
<b><u>3 months financial period ended 31 March 2023</u></b>				
External revenue	240,271	375,964	48,507	664,742
Inter-segment revenue	864	3,531	3,195	7,590
Total revenue	<u>241,135</u>	<u>379,495</u>	<u>51,702</u>	<u>672,332</u>
Reportable segment profit before tax	<u>5,871</u>	<u>11,258</u>	<u>1,512</u>	<u>18,641</u>

**(b) Reconciliation of reportable segment profit and loss:**

	<b>Current Year To-date 31/03/2024 RM'000</b>	<b>Preceding Year Corresponding Period 31/03/2023 RM'000</b>
Total profit before tax for reportable segments	17,551	18,641
Other non-reportable segments profit	1,318	1,248
Eliminate of inter-segments profit	-	-
Consolidated profit before tax	<u>18,869</u>	<u>19,889</u>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**8. Segmental reporting (continue)**

**(c) Disaggregation of the Group's revenue**

	Current Year-to-date 31/03/2024		Preceding Year-to-date 31/03/2023	
	At a point in time RM'000	Over time RM'000	At a point in time RM'000	Over time RM'000
<b>ICT Distribution</b>				
Consumer Desktop, PC and notebooks, Mobility devices and peripherals	261,430	-	240,271	-
<b>Enterprise Systems</b>				
Commercial Desktop, PC and notebooks, Server, storage, software and networking products	276,859	-	375,964	-
<b>ICT Services</b>				
Services, cloud and maintenance	77,567	507	47,993	514
	<u>615,856</u>	<u>507</u>	<u>664,228</u>	<u>514</u>

**(d) Segment assets**

	As at 31/03/2024 RM'000	As at 31/12/2023 RM'000
ICT Distribution	446,854	476,302
Enterprise Systems	214,718	251,713
ICT Services	13,573	13,157
Total reportable segment assets	<u>675,145</u>	<u>741,172</u>
	As at 31/03/2024 RM'000	As at 31/12/2023 RM'000
<u>Reconciliation of reportable segment assets:</u>		
Total reportable segment assets	675,145	741,172
Other non-reportable segments assets	147,749	155,446
Elimination of inter-segment balances	(96,166)	(74,083)
Consolidated total assets	<u>726,728</u>	<u>822,535</u>

There were no major changes in segment assets during the period.

**(e) Segment liabilities**

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Officer. Hence, no disclosure is made on segment liabilities.



**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**9. Material events subsequent to the end of the financial period**

There were no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.

**10. Changes in the composition of the Group**

There were no changes in the composition of the Group.

**11. Contingent liabilities and contingent assets**

**(a) Contingent liabilities**

	As At 31/03/2024 RM'000	As At 31/12/2023 RM'000
Guarantees to suppliers and licensed banks for trade credit facilities granted by holding company to Group entities	157,590	157,460

**(b) Contingent assets**

There were no contingent assets as at the end of the current financial period.

**12. Capital commitments**

The capital expenditure contracted but not provided for as at the end of the current financial period amounted to RM2,898,000.

**13. Capital expenditure**

The major additions to plant and equipment including RM300,000 which was acquired under hire purchase arrangement during the current quarter and financial year-to-date were as follows:

	Current Year Quarter 31/03/2024 RM'000	Current Year To-date 31/03/2024 RM'000
Addition to plant and equipment	535	535

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**
**PART A EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING**
**14. Related party transactions**

Related parties are those defined under MFRS 124, *Related Party Disclosures*. The Directors are of the opinion that the related party transactions and balances described below were carried out in the ordinary course of business and had been established on negotiated terms.

	<b>Current Year To-date 31/03/2024 RM'000</b>	<b>Balance Due From/(To) As at 31/03/2024 RM'000</b>
Transactions with joint venture company:		
Lease liabilities	(495)	-
Administrative and accounting charges	4	2
Transactions with an associate company:		
Sales	95	29
Support services	(46)	-

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**15. Review of performance**

	Individual Quarter			Cumulative Quarter		
	Current Year 31/03/2024 RM'000	Preceding Year Corresponding Quarter 31/03/2023 RM'000	Changes %	Current Year To-date 31/03/2024 RM'000	Preceding Year Corresponding Period 31/03/2023 RM'000	Changes %
Revenue	616,363	664,742	(7.3)	616,363	664,742	(7.3)
Gross profit	38,014	37,912	0.3	38,014	37,912	0.3
<i>GP margin %</i>	<i>6.2%</i>	<i>5.7%</i>		<i>6.2%</i>	<i>5.7%</i>	
Profit before tax	18,869	19,889	(5.1)	18,869	19,889	(5.1)
Profit for the period	14,321	14,847	(3.5)	14,321	14,847	(3.5)

**Q1 FY2024 compared with Q1 FY2023**

For Q1 FY2024, the revenue decreased by 7.3% to RM616.4 million from RM664.7 million last year due to lack of project deals from Enterprise Systems during the festival seasons. However with higher Gross Profit (GP) margin of 6.2% compared to 5.7% last year, the GP increased slightly by 0.3% to RM38.0 million from RM37.9 million last year.

Profit before tax (PBT) decreased by 5.1% from RM19.9 million to RM18.9 million after accounting for higher operating expenses by 5.5%.

**Quarterly Segmental Result**

The performance of the three business segments for Q1 FY2024 compared with Q1 FY2023 were as follows:

a) ICT Distribution

Revenue increased by 8.8%, driven by sales in tablets and phone devices. However due to lower GP margin from product mix, PBT decreased by 17.3% to RM4.9 million compared with RM5.9 million last year.

b) Enterprise Systems

Revenue decreased by 26.4% due to lower sales from commercial PC, notebook, networking hardware, enterprise software and server. With lower sales but mitigated by higher GP margin from product mix, PBT decreased by 4.4% to RM10.8 million compared with RM11.3 million last year.

c) ICT Services

Revenue increased by RM29.6 million from cloud services and maintenance services. This boost in sales contributed to a rise in PBT by RM427,000, reaching RM1.9 million compared to RM1.5 million last year.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**
**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**
**16. Financial review of current quarter compared with immediate preceding quarter**

	<b>Current Quarter 31/03/2024 RM'000</b>	<b>Immediate Preceding Quarter 31/12/2023 RM'000</b>	<b>Changes %</b>
Revenue	616,363	807,245	(23.6)
Gross Profit	38,014	42,197	(9.9)
<i>GP margin %</i>	6.2%	5.2%	
Share of profit of equity-accounted associate, net of tax	338	968	(65.1)
Share of profit of equity-accounted joint venture, net of tax	159	136	16.9
Profit before tax	18,869	24,917	(24.3)
Profit for the period	14,321	24,200	(40.8)

Q1 FY2024 revenue decreased by 23.6% caused by lower sales from ICT Distribution and Enterprise Systems which decreased by 31.6% and 25.0% respectively.

With lower sales and GP, PBT decreased by 24.3% to RM18.9 million compared with RM24.9 million of preceding quarter.

**17. Results from operating activities are arrived at after (charging)/crediting:**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31/03/2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 31/03/2023 RM'000</b>	<b>Current Year To-date 31/03/2024 RM'000</b>	<b>Preceding Year Corresponding Period 31/03/2023 RM'000</b>
Depreciation	(834)	(761)	(834)	(761)
Inventories written down	(1,421)	(621)	(1,421)	(621)
<hr/>				
<u>Other income/(expense):</u>				
Foreign exchange gain - Realised	700	856	700	856
Foreign exchange loss - Unrealised	(1,890)	(2,555)	(1,890)	(2,555)
Fair value gain on forward exchange contract	1,946	4,350	1,946	4,350
Fair value loss on other investment	(5)	(46)	(5)	(46)
Gain/(Loss) on fixed assets disposal/written off	147	(6)	147	(6)
Others	9	1	9	1
	<hr/>	<hr/>	<hr/>	<hr/>
	907	2,600	907	2,600

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**17. Results from operating activities are arrived at after (charging)/crediting: (continue)**

The Group is exposed to foreign currency risk on purchases that are mainly denominated in US Dollar ("USD"). However, the Group hedges most of the exposures by purchasing forward currency contracts in USD for payments on due dates.

There was no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets and exceptional items in current quarter.

**18. Commentaries and disclosure of other information**

**(a) Other major changes in financial position and cash flow**

The cash and cash equivalents decreased by RM30.6 million mainly due to repayment of bank borrowings of RM33.3 million net of proceeds from hire-purchase of RM300,000.

**(d) Trade receivables**

Trade receivables were having credit term ranging from 14 to 60 days with an exception of a few customers on project with extended payment term up to 2 years. Aging analysis of trade receivables as at 31 March 2024 were as follows:

	<b>Gross carrying amount RM'000</b>	<b>Loss allowance RM'000</b>	<b>Net balance RM'000</b>
Current (not past due)	173,379	-	173,379
Past due 1 - 30 days	89,925	-	89,925
Past due 31 - 60 days	63,861	-	63,861
Past due 61 - 90 days	12,754	-	12,754
	<hr/>		
	339,919	-	339,919
Past due more than 90 days	22,278	(2,170)	20,108
Individual impaired	49	(49)	-
	<hr/>		
	362,246	(2,219)	360,027

The Group uses aging analysis to monitor the credit quality of the trade receivables. Invoices which are past due more than 90 days are considered as credit impaired. The gross carrying amount of credit impaired trade receivables are written off when there is no realistic prospect of recovery.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024****PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS****19. Prospects**

Malaysia's economy is estimated to have grown 3.9% in the first quarter of 2024. The International Monetary Fund (IMF) has revised the outlook for Malaysia's real gross domestic product (GDP) by a notch upwards to 4.4 per cent this year from its earlier prediction of 4.3 per cent.

In February, Ringgit traded at almost RM4.80 against the US Dollar, near 26-year lows since the Asian Financial Crisis. The weak Ringgit exchange rate continues to have a negative impact to all ICT imported goods and consumer spending sentiment.

PC vendors are launching AI-enabled CPU notebooks from now till the end of the year. We are hopeful that the new AI CPU notebooks will gain popularity as commercial and power users make full use of the new AI operating system's functions & AI applications.

Enterprise and public sector datacentre projects will continue to be our key focus. Our recent launch of AWS cloud services distributorship and potential new enterprise products will boost our profit and revenue.

We are excited on the new consumer and enterprise products to be launched this year; and we are optimistic of Q2 and the balance of 2024.

**20. Profit forecast or profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

**21. Tax expense**

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	31/03/2024	31/03/2023	To-date	Corresponding Period
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Current year	5,407	5,107	5,407	5,107
Under provision in prior year	-	-	-	-
	<u>5,407</u>	<u>5,107</u>	<u>5,407</u>	<u>5,107</u>
Deferred tax	(859)	(65)	(859)	(65)
	<u>4,548</u>	<u>5,042</u>	<u>4,548</u>	<u>5,042</u>
Effective tax rate	24.1%	25.4%	24.1%	25.4%

The effective tax rate was different from the statutory tax rate of 24% due to share of profit in associate and joint venture which was net of tax and certain expenses which were not deductible for tax purposes.

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024****PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS****22. Corporate proposals**

There was no corporate proposals as at the end of the current financial period.

**23. Borrowings and debt securities**

The Group's borrowings as at 31 March 2024 were as follows:

	RM'000
<b>Long-term borrowing:</b>	
Hire purchase	194
<b>Short-term borrowings:</b>	
Hire purchase	257
<b>Total</b>	451

There were no borrowings denominated in foreign currency as at end of current financial period.

**24. Changes in material litigation**

There was no material litigation as at the end of the current financial period.

**25. Dividend**

No dividend was recommended in the current quarter under review.

**26. Earnings per share**

The basic and diluted earnings per share ("EPS") for the current quarter and current year-to-date were computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Corresponding Quarter 31/03/2024	Preceding Year Corresponding Quarter 31/03/2023	Current Year To-date 31/03/2024	Preceding Year Corresponding Period 31/03/2023
Profit attributable to equity holders of the Company (RM'000)	14,321	14,847	14,321	14,847
Weighted average number of ordinary shares ('000)	356,555	356,555	356,555	356,555
Basic earnings per share (sen)	4.0	4.2	4.0	4.2
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

Diluted EPS is not applicable as there were no dilutive potential ordinary shares in issue for the current quarter and cumulative quarter.

**VSTECS BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2024**

**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**27. Auditor's report on preceding annual financial statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2023.

**By order of the Board**

**Chua Siew Chuan**  
**Cheng Chia Ping**  
Company Secretaries

15 May 2024  
Selangor