

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025**

	Note	As At 31/12/2025 RM'000	As At 31/12/2024 RM'000
ASSETS			
Plant and equipment	13	8,316	4,052
Right-of-use assets		2,331	3,798
Intangible asset		571	571
Investment in an associate		24,480	28,613
Investment in a joint venture		13,116	13,212
Other investments		122	143
Deferred tax assets	18 (b)	14,790	10,131
Total non-current assets		63,726	60,520
Inventories		273,684	247,745
Receivables, deposits and prepayments	18 (c)	651,887	463,016
Tax recoverable		171	271
Cash and cash equivalents	18 (a)	88,971	106,370
Total current assets		1,014,713	817,402
TOTAL ASSETS		1,078,439	877,922
EQUITY			
Share capital		90,000	90,000
Reserves		483,121	412,399
Total equity attributable to owners of the Company		573,121	502,399
LIABILITIES			
Borrowings	23	25	149
Lease liabilities		352	1,945
Deferred tax liabilities		87	-
Total non-current liabilities		464	2,094
Borrowings	23	21,050	372
Lease liabilities		2,098	1,939
Payables and accruals		469,988	362,904
Tax payable		11,718	8,214
Total current liabilities		504,854	373,429
Total liabilities		505,318	375,523
TOTAL EQUITY AND LIABILITIES		1,078,439	877,922
Net assets per share attributable to owners of the Company (RM)		1.61	1.41

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025**

	Note	Individual Quarter Three Months Ended		Cumulative Quarter Twelve Months Ended	
		31/12/2025 RM'000	31/12/2024 RM'000	31/12/2025 RM'000	31/12/2024 RM'000
Revenue		1,094,883	819,196	3,597,363	2,901,716
Cost of sales		(1,024,367)	(771,319)	(3,369,021)	(2,729,407)
Gross profit		<u>70,516</u>	<u>47,877</u>	<u>228,342</u>	<u>172,309</u>
Distribution expenses		(17,272)	(15,185)	(68,464)	(58,744)
Administrative expenses		(13,474)	(11,015)	(37,816)	(32,950)
Net loss on impairment of financial instruments		(1,007)	(1,554)	(5,692)	(1,171)
Other income	17	1,241	5,591	3,378	7,089
Results from operating activities		<u>40,004</u>	<u>25,714</u>	<u>119,748</u>	<u>86,533</u>
Finance income		437	682	2,829	3,094
Finance costs		(217)	(63)	(508)	(387)
Net finance income		220	619	2,321	2,707
Share of profit of equity-accounted associate, net of tax		3,471	1,145	6,169	3,308
Share of profit of equity-accounted joint venture, net of tax		145	135	604	597
Profit before tax		<u>43,840</u>	<u>27,613</u>	<u>128,842</u>	<u>93,145</u>
Tax expense	21	(9,358)	(6,181)	(30,663)	(22,579)
Profit for the period/year		<u>34,482</u>	<u>21,432</u>	<u>98,179</u>	<u>70,566</u>
Total comprehensive income for the period/year		<u>34,482</u>	<u>21,432</u>	<u>98,179</u>	<u>70,566</u>
Profit for the period/year					
Total comprehensive income for the period attributable to:					
Owners of the Company		34,482	21,432	98,179	70,566
Non-controlling interest		-	-	-	-
		<u>34,482</u>	<u>21,432</u>	<u>98,179</u>	<u>70,566</u>
Earnings per share attributable to owners of the Company:					
Basic (sen)	26	9.7	6.0	27.5	19.8
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 2024 and the accompanying explanatory notes attached to the interim financial statements.

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]
(Incorporated in Malaysia)



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	<- Attributable to owners of the Company - >						Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	
At 1 January 2024	90,000	(1,948)	-	368,383	456,435	-	456,435
Profit for the year/ Total comprehensive income for the year	-	-	-	70,566	70,566	-	70,566
Dividends to owners of the Company	-	-	-	(24,602)	(24,602)	-	(24,602)
At 31 December 2024	<u>90,000</u>	<u>(1,948)</u>	<u>-</u>	<u>414,347</u>	<u>502,399</u>	<u>-</u>	<u>502,399</u>
At 1 January 2025	90,000	(1,948)	-	414,347	502,399	-	502,399
Foreign currency translation differences for foreign operations	-	-	(3)	-	(3)	-	(3)
Profit for the year/ Total comprehensive income for the year	-	-	-	98,179	98,179	-	98,179
Dividends to owners of the Company	-	-	-	(27,454)	(27,454)	-	(27,454)
At 31 December 2025	<u>90,000</u>	<u>(1,948)</u>	<u>(3)</u>	<u>485,072</u>	<u>573,121</u>	<u>-</u>	<u>573,121</u>

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 2024 and the accompanying explanatory notes attached to the interim financial statements.

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	Twelve Months Ended	
		31/12/2025	31/12/2024
		RM'000	RM'000
Cash Flows from Operating Activities			
Profit before tax		128,842	93,145
<i>Adjustments for:</i>			
Non-cash items		13,353	6,264
Non-operating items		(9,094)	(6,612)
Operating profit before changes in working capital		133,101	92,797
Change in inventories		(28,001)	(49,589)
Change in receivables, deposits and prepayment		(196,945)	(48,911)
Change in payables and accruals		108,282	36,297
Cash generated from operations		16,437	30,594
Tax paid		(31,631)	(20,137)
Net cash (used in)/from operating activities		(15,194)	10,457
Cash Flows from Investing Activities			
Acquisition of plant and equipment	13	(6,306)	(1,209)
Proceeds from disposal of plant and equipment		132	183
Dividend income from an associate		10,302	1,780
Dividend income from a joint venture		700	800
Net cash from investing activities		4,828	1,554
Cash Flows from Financing Activities			
Proceeds from/(Repayment of) borrowings	23	20,750	(33,300)
Interest received		2,723	2,853
Interest paid		(508)	(387)
Repayment of hire purchase liabilities		(496)	(238)
Payment of lease liabilities		(2,045)	(1,887)
Dividend paid	7	(27,454)	(23,533)
Net cash used in financing activities		(7,030)	(56,492)
Net decrease in cash and cash equivalents		(17,396)	(44,481)
Effect of exchange rate fluctuations on cash held		(3)	-
Cash and cash equivalents at beginning of year		106,370	150,851
Cash and cash equivalents at end of year		88,971	106,370
Cash and cash equivalents comprise the following:			
Cash and bank balances		88,971	106,370

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

**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 2024.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2024 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. Material 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 2024, except with the adoption of the following:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

The adoption of the above amendment is 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.

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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

7. Dividends paid

A single-tier first interim dividend of 2.8 sen per share, totalling RM9,983,000 in respect of the financial year ended 31 December 2024 was paid on 9 January 2025.

A single-tier second interim dividend of 4.1 sen per share and a special dividend of 0.8 sen per share, totalling 4.9 sen per share amounting RM17,471,000 in respect of the financial year ended 31 December 2024 was paid on 13 May 2025.

A single-tier first interim dividend of 2.8 sen per share, totalling RM9,983,000 in respect of the financial year ended 31 December 2025 was paid on 7 January 2026.

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.

(a) Information about reportable segments

	ICT Distribution RM'000	Enterprise Systems RM'000	ICT Services RM'000	Total RM'000
<u>12 months financial year ended 31 December 2025</u>				
External revenue	1,502,825	1,649,600	444,938	3,597,363
Inter-segment revenue	5,195	1,967	15,707	22,869
Total revenue	<u>1,508,020</u>	<u>1,651,567</u>	<u>460,645</u>	<u>3,620,232</u>
Reportable segment profit before tax	<u>22,329</u>	<u>76,870</u>	<u>22,357</u>	<u>121,556</u>
<u>12 months financial year ended 31 December 2024</u>				
External revenue	1,312,249	1,271,096	318,371	2,901,716
Inter-segment revenue	6,760	2,773	15,225	24,758
Total revenue	<u>1,319,009</u>	<u>1,273,869</u>	<u>333,596</u>	<u>2,926,474</u>
Reportable segment profit before tax	<u>21,708</u>	<u>52,600</u>	<u>13,426</u>	<u>87,734</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

8. Segmental reporting (continue)

(b) Reconciliation of reportable segment profit and loss

	Current Year To-date 31/12/2025 RM'000	Preceding Year Corresponding Period 31/12/2024 RM'000
Total profit before tax for reportable segments	121,556	87,734
Other non-reportable segments profit	46,565	33,754
Eliminate of inter-segments profit	(39,279)	(28,343)
Consolidated profit before tax	<u>128,842</u>	<u>93,145</u>

(c) Disaggregation of the Group's revenue

	Current Year-to-date 31/12/2025		Preceding Year-to-date 31/12/2024	
	At a point in time RM'000	Over time RM'000	At a point in time RM'000	Over time RM'000
ICT Distribution				
Consumer Desktop, PC and notebooks, Mobility devices and peripherals	1,508,020	-	1,319,009	-
Enterprise Systems				
Commercial Desktop, PC and notebooks, Server, storage, software and networking products	1,651,567	-	1,273,869	-
ICT Services				
Services, cloud and maintenance	457,502	3,143	327,897	5,699
	<u>3,617,089</u>	<u>3,143</u>	<u>2,920,775</u>	<u>5,699</u>

(d) Segment assets

	As at 31/12/2025 RM'000	As at 31/12/2024 RM'000
ICT Distribution	661,177	520,234
Enterprise Systems	396,438	316,506
ICT Services	30,492	14,457
Total reportable segment assets	<u>1,088,107</u>	<u>851,197</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

8. Segmental reporting (continue)

(d) Segment assets (continue)

	As at 31/12/2025 RM'000	As at 31/12/2024 RM'000
<u>Reconciliation of reportable segment assets:</u>		
Total reportable segment assets	1,088,107	851,197
Other non-reportable segments assets	172,173	161,250
Elimination of inter-segment balances	(181,841)	(134,525)
Consolidated total assets	1,078,439	877,922

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.

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 31/12/2025 RM'000	As At 31/12/2024 RM'000
Guarantees to suppliers and licensed banks for trade credit facilities granted by holding company to Group entities	206,919	207,332

(b) Contingent assets

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

12. Capital commitments

The capital expenditure contracted but not provided for as at the end of the current financial period amounted to RM996,000.

13. Capital expenditure

The Group recorded higher additions to plant and equipment during the financial period, comprising the capitalization of a new ERP system amounting to RM3.8 million, office renovation and related equipment totalling approximately RM0.6 million, investment in a cloud business of RM0.4 million, and replacement of motor vehicle of RM0.6 million of which RM0.3 million was financed under hire purchase arrangement. These investments are aligned with our strategy to enhance operational capabilities and support future growth.

	Current Year Quarter 31/12/2025 RM'000	Current Year To-date 31/12/2025 RM'000
Addition to plant and equipment	541	6,605

There were no major disposals to plant and equipment during the financial period.

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.

	Current Year To-date 31/12/2025 RM'000	Balance Due From/(To) As at 31/12/2025 RM'000
Transactions with a joint venture company:		
Lease liabilities	(1,980)	-
Administrative and accounting charges	19	2
Transactions with an associate company:		
Sales	384	26
Support services	(82)	-

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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 31/12/2025 RM'000	Preceding Year Corresponding Quarter 31/12/2024 RM'000	Changes %	Current Year To-date 31/12/2025 RM'000	Preceding Year Corresponding Period 31/12/2024 RM'000	Changes %
Revenue	1,094,883	819,196	33.7	3,597,363	2,901,716	24.0
Gross profit	70,516	47,877	47.3	228,342	172,309	32.5
<i>GP margin %</i>	6.4%	5.8%		6.3%	5.9%	
Profit before tax	43,840	27,613	58.8	128,842	93,145	38.3
Profit for the period	34,482	21,432	60.9	98,179	70,566	39.1

Q4 FY2025 compared with Q4 FY2024

For Q4 FY2025, the revenue increased by 33.7% to RM1,094.9 million from RM819.2 million last year attributed to higher sales from all three business segments. With higher sales, Gross profit (GP) increased by 47.3% to RM70.5 million from RM47.9 million last year.

With higher GP, Profit Before Tax (PBT) increased by 58.8% to RM43.8 million from RM27.6 million last year after recording increase in share of associate profit by RM2.3 million but was mitigated by lower forex and fair value gain by RM4.4 million.

Quarterly Segmental Result

The performance of the three business segments for Q4FY2025 compared with Q4 FY2024 were as follows:

a) ICT Distribution

Revenue increased by 12.9% mainly from consumer notebook, tablets and accessories. With higher sales but was mitigated by higher operating expenses, PBT increased by 3.3% to RM7.5 million.

b) Enterprise Systems

Revenue increased by 46.6% across all major products categories except commercial printers and workstation. With higher sales and higher GP margin of 8.9% compared to 8.1% last year, PBT increased by 53.1% to RM26.2 million from RM17.1 million last year.

c) ICT Services

Revenue increased by RM66.0 million, mainly contributed by growth in cloud services. With higher sales and GP, PBT increased by 170.1% to RM7.7 million from RM2.9 million last year.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS****15. Review of performance (continue)****12 months ended 31 December 2025 compared with 31 December 2024**

For 12 months ended 31 December 2025, sales increased by 24.0% to RM3.60 billion compared with RM2.90 billion last year driven by growth across all three business segments. With higher sales, GP increased by 32.5% to RM228.3 million from RM172.3 million last year.

With improved GP, PBT increased by 38.3% to RM128.8 million from RM93.1 million last year. The improvement was partly attributable to a RM2.9 million increase in share of profit from associate company, notwithstanding lower foreign exchange and fair value gains of RM3.6 million and an increase in impairment loss on financial instruments of RM4.5 million.

Year-to-date Segmental Result

The performance of the three business segments for 12 months period ended 31 December 2025 as compared to previous year-to-date were as below:

a) ICT Distribution

Revenue increased by 14.5% mainly from consumer notebook, tablets, smartphones, accessories and gaming devices. With higher sales but mitigated by lower GP margin of 3.2% compare to 3.5% last year, PBT increased slightly by 2.9% to RM22.3 million compared to RM21.7 million last year.

b) Enterprise Systems

Revenue increased by 29.8% across all major products except servers and commercial printers and supplies. With higher sales and higher GP margin of 8.8% compared to 7.7% last year, PBT increased by 46.1% to RM76.9 million from RM52.6 million last year.

c) ICT Services

Revenue increased by RM126.6 million, mainly contributed by growth in cloud and services. With higher sales and GP, PBT increased by 66.5% to RM22.4 million compared to RM13.4 million last year.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

	Current Quarter 31/12/2025 RM'000	Immediate Preceding Quarter 30/09/2025 RM'000	Changes %
Revenue	1,094,883	991,943	10.4
Gross Profit	70,516	61,241	15.1
GP margin %	6.4%	6.2%	
Share of profit of equity-accounted associate, net of tax	3,471	1,222	184.0
Share of profit of equity-accounted joint venture, net of tax	145	142	2.1
Profit before tax	43,840	34,969	25.4
Profit for the period	34,482	25,778	33.8

Q4 FY2025 revenue increased by 10.4% contributed by higher sales from all 3 business segments. PBT for ICT Distribution, Enterprise Systems and ICT Services increased by 50.3%, 20.7% and 19.1% respectively.

Overall, the Group PBT increased by 25.4% to RM43.8 million compared with RM35.0 million in preceding quarter.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2025 RM'000	Preceding Year Corresponding Quarter 31/12/2024 RM'000	Current Year To-date 31/12/2025 RM'000	Preceding Year Corresponding Period 31/12/2024 RM'000
Depreciation	(1,231)	(885)	(4,388)	(3,419)
Inventories written back/(down)	461	(644)	(2,062)	(2,646)
Other income/(expense):				
Foreign exchange gain - Realised	1,853	2,695	4,504	5,476
Foreign exchange gain/(loss) - Unrealised	2,281	(10,080)	4,761	(2,756)
Fair value (loss)/gain on forward exchange contract	(2,946)	12,946	(6,051)	4,117
Fair value gain/(loss) on other investment	12	10	(21)	(11)
Gain on fixed assets disposal	5	4	94	174
Others	36	16	91	89
	1,241	5,591	3,378	7,089

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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 non-financial 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 RM17.4 million mainly due to higher working capital and acquisition of plant and equipment.

(b) Deferred tax assets

Deferred tax assets was higher by RM4.7 million mainly from provision for marketing activities.

(c) Receivables, deposit and prepayments

Receivables, deposit and prepayments consists of trade receivable of RM629.7 million, an increased of RM202.0 million compared to RM427.7 million in last financial year end. The increase was mainly due to high sales achieved in current financial year.

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 December 2025 were as follows:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current (not past due)	278,298	-	278,298
Past due 1 - 30 days	212,465	-	212,465
Past due 31 - 60 days	128,252	-	128,252
Past due 61 - 90 days	10,503	-	10,503
	<hr/> 629,518	-	<hr/> 629,518
Past due more than 90 days	822	(606)	216
Individual impaired	7,217	(7,217)	-
	<hr/> 637,557	(7,823)	<hr/> 629,734

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.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025

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

19. Prospects

Malaysia’s economy grew by 5.2% in 2025, exceeding the government’s forecast, and growth is expected to remain stable this year. At the same time, the Malaysian Ringgit has strengthened to nearly an eight-year high against the US Dollar, creating a positive environment for business confidence and investment.

All ICT products are expected to increase price due to higher memory costs, demand for end-point devices remains strong for 2026. The market is supported by the normal replacement cycle and the fast growth of AI-based applications, which require better performance and upgraded hardware.

Malaysian enterprises have been cautious about AI adoption, taking time to evaluate costs and returns. 2026 will be a key turning point, with large organizations expected to move from pilot projects to real deployment, using AI solutions to improve productivity and enhance decision-making. Our government is driving Malaysia to enter a new phase as an AI-driven nation in 2026. Government initiatives to expand IT and AI in the public sector will create more opportunities for enterprise solutions.

With strong potential in infrastructure upgrades and government spendings, we are optimistic for Q1 and FY2026.

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 31/12/2025 RM'000	Preceding Year Corresponding Quarter 31/12/2024 RM'000	Current Year To-date 31/12/2025 RM'000	Preceding Year Corresponding Period 31/12/2024 RM'000
Current income tax:				
Current year	12,418	8,411	34,750	25,376
Under provision in prior year	-	-	485	429
	<u>12,418</u>	<u>8,411</u>	<u>35,235</u>	<u>25,805</u>
Deferred tax	(3,060)	(2,230)	(4,572)	(3,226)
	<u>9,358</u>	<u>6,181</u>	<u>30,663</u>	<u>22,579</u>
Effective tax rate	21.3%	22.4%	23.8%	24.2%

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

22. Corporate proposals

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS****23. Borrowings and debt securities**

The Group's borrowings were as follows:

	As at 31/12/2025 RM'000	As at 31/12/2024 RM'000
Long-term borrowing:		
Hire purchase	25	149
Short-term borrowing:		
Banker's Acceptances - Unsecured	20,750	-
Hire purchase	300	372
	<u>21,050</u>	<u>372</u>

The banker's acceptance of RM20.8 million was to finance the working capital requirement due to higher sales.

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

24. Changes in material litigation

On 29 September 2025, a wholly owned subsidiary, VSTECS Pericomp Sdn. Bhd., has initiated legal action against Logicalis Malaysia Sdn. Bhd. and Logicalis Singapore Pte. Ltd. for recovery of outstanding sum due and payable to VSTECS Pericomp Sdn. Bhd.

25. Dividend

The Board of Directors have vide Board of Directors' meeting held on 27 February 2026 approved a single-tier second interim dividend of 4.0 sen per share and special dividend of 4.0 sen per share, totalling 8.0 sen per share in respect of the financial year ended 31 December 2025.

The proposed payable date for both dividends have been scheduled on 19 May 2026 in respect of deposited securities as at 24 April 2026.

The total dividend declared for financial year ended 31 December 2025 is 10.8 sen per share.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2025**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS****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	Preceding Year	Current Year	Preceding Year
	Corresponding Quarter	Corresponding Quarter	To-date	Corresponding Period
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Profit attributable to equity holders of the Company (RM'000)	34,482	21,432	98,179	70,566
Weighted average number of ordinary shares ('000)	356,555	356,555	356,555	356,555
Basic earnings per share (sen)	9.7	6.0	27.5	19.8
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.

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 2024.

By order of the Board

Chua Siew Chuan
Cheng Chia Ping
Company Secretaries

27 February 2026
Selangor