

VSTECS BERHAD

[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025**

	Note	As At 30/09/2025 RM'000	As At 31/12/2024 RM'000
ASSETS			
Plant and equipment	13	8,478	4,052
Right-of-use assets		2,857	3,798
Intangible asset		571	571
Investment in an associate		30,991	28,613
Investment in a joint venture		13,321	13,212
Other investments		110	143
Deferred tax assets		11,643	10,131
Total non-current assets		67,971	60,520
Inventories		305,175	247,745
Receivables, deposits and prepayments	18 (b)	629,580	463,016
Tax recoverable		109	271
Cash and cash equivalents	18 (a)	71,323	106,370
Total current assets		1,006,187	817,402
TOTAL ASSETS		1,074,158	877,922
EQUITY			
Share capital		90,000	90,000
Reserves		458,624	412,399
Total equity attributable to owners of the Company		548,624	502,399
LIABILITIES			
Borrowings	23	64	149
Lease liabilities		800	1,945
Total non-current liabilities		864	2,094
Borrowings	23	41,073	372
Lease liabilities		2,175	1,939
Payables and accruals		470,491	362,904
Tax payable		10,931	8,214
Total current liabilities		524,670	373,429
Total liabilities		525,534	375,523
TOTAL EQUITY AND LIABILITIES		1,074,158	877,922
Net assets per share attributable to owners of the Company (RM)		1.54	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.

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[Registration No: 199501021835 (351038-H)]

(Incorporated in Malaysia)


**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2025**

	Note	Individual Quarter Three Months Ended		Cumulative Quarter Nine Months Ended	
		30/09/2025 RM'000	30/09/2024 RM'000	30/09/2025 RM'000	30/09/2024 RM'000
Revenue		991,943	841,764	2,502,480	2,082,520
Cost of sales		(930,702)	(792,845)	(2,344,654)	(1,958,088)
Gross profit		61,241	48,919	157,826	124,432
Distribution expenses		(19,622)	(16,454)	(51,192)	(43,559)
Administrative expenses		(8,705)	(7,555)	(24,342)	(21,935)
Net (loss)/gain on impairment of financial instruments		(2,033)	(434)	(4,685)	383
Other income/(expense)	17	2,271	(310)	2,137	1,498
Results from operating activities		33,152	24,166	79,744	60,819
Finance income		648	936	2,392	2,412
Finance costs		(195)	(63)	(291)	(324)
Net finance income		453	873	2,101	2,088
Share of profit of equity-accounted associate, net of tax		1,222	1,300	2,698	2,163
Share of profit of equity-accounted joint venture, net of tax		142	145	459	462
Profit before tax		34,969	26,484	85,002	65,532
Tax expense	21	(9,191)	(6,917)	(21,305)	(16,398)
Profit for the period/ Total comprehensive income for the period		25,778	19,567	63,697	49,134
Profit for the period/ Total comprehensive income for the period attributable to:					
Owners of the Company		25,778	19,567	63,697	49,134
Non-controlling interest		-	-	-	-
		25,778	19,567	63,697	49,134
Earnings per share attributable to owners of the Company:					
Basic (sen)	26	7.2	5.5	17.9	13.8
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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR NINE MONTHS ENDED 30 SEPTEMBER 2025**

	<- Attributable to owners of the Company - >				Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Distributable Retained Earnings RM'000			
At 1 January 2024	90,000	(1,948)	-	368,383	456,435	-	456,435
Profit for the period/ Total comprehensive income for the period	-	-	-	49,134	49,134	-	49,134
Dividends to owners of the Company	-	-	-	(14,619)	(14,619)	-	(14,619)
At 30 September 2024	90,000	(1,948)	-	402,898	490,950	-	490,950
At 1 January 2025	90,000	(1,948)	-	414,347	502,399	-	502,399
Foreign currency translation differences for foreign operations	-	-	(1)	-	(1)	-	(1)
Profit for the period/ Total comprehensive income for the period	-	-	-	63,697	63,697	-	63,697
Dividends to owners of the Company	-	-	-	(17,471)	(17,471)	-	(17,471)
At 30 September 2025	90,000	(1,948)	(1)	460,573	548,624	-	548,624

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.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2025**

	Note	Nine Months Ended	
		30/09/2025 RM'000	30/09/2024 RM'000
Cash Flows from Operating Activities			
Profit before tax		85,002	65,532
<i>Adjustments for:</i>			
Non-cash items		6,245	5,892
Non-operating items		(5,258)	(4,713)
Operating profit before changes in working capital		85,989	66,711
Change in inventories		(59,953)	(16,750)
Change in receivables, deposits and prepayment		(168,949)	(90,381)
Change in payables and accruals		119,433	74,532
Cash (used in)/generated from operations		(23,480)	34,112
Tax paid		(19,938)	(12,745)
Net cash (used in)/from operating activities		(43,418)	21,367
Cash Flows from Investing Activities			
Acquisition of plant and equipment	13	(5,764)	(1,209)
Proceeds from disposal of plant and equipment		128	177
Dividend income from an associate		320	560
Dividend income from a joint venture		350	500
Net cash (used in)/from investing activities		(4,966)	28
Cash Flows from Financing Activities			
Proceeds from/(Repayment of) borrowings	23	40,700	(33,300)
Interest received		2,289	2,211
Interest paid		(291)	(324)
Repayment of hire purchase liabilities		(384)	(140)
Payment of lease liabilities		(1,522)	(1,416)
Dividend paid	7	(27,454)	(23,533)
Net cash from/(used in) financing activities		13,338	(56,502)
Net decrease in cash and cash equivalents		(35,046)	(35,107)
Effect of exchange rate fluctuations on cash held		(1)	-
Cash and cash equivalents at beginning of period		106,370	150,851
Cash and cash equivalents at end of period		71,323	115,744
Cash and cash equivalents comprise the following:			
Cash and bank balances		71,323	115,744

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 NINE MONTHS ENDED 30 SEPTEMBER 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 NINE MONTHS ENDED 30 SEPTEMBER 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.

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>9 months financial period ended 30 September 2025</u>				
External revenue	1,042,173	1,155,364	304,943	2,502,480
Inter-segment revenue	3,743	1,520	10,647	15,910
Total revenue	<u>1,045,916</u>	<u>1,156,884</u>	<u>315,590</u>	<u>2,518,390</u>
Reportable segment profit before tax	<u>14,863</u>	<u>50,653</u>	<u>14,640</u>	<u>80,156</u>
<u>9 months financial period ended 30 September 2024</u>				
External revenue	904,113	934,040	244,367	2,082,520
Inter-segment revenue	4,941	2,116	11,430	18,487
Total revenue	<u>909,054</u>	<u>936,156</u>	<u>255,797</u>	<u>2,101,007</u>
Reportable segment profit before tax	<u>14,483</u>	<u>35,470</u>	<u>10,569</u>	<u>60,522</u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30/09/2025 RM'000	Preceding Year Corresponding Period 30/09/2024 RM'000
Total profit before tax for reportable segments	80,156	60,522
Other non-reportable segments profit	16,810	17,060
Eliminate of inter-segments profit	(11,964)	(12,050)
Consolidated profit before tax	<u>85,002</u>	<u>65,532</u>

(c) Disaggregation of the Group's revenue

	Current Year-to-date 30/09/2025		Preceding Year-to-date 30/09/2024	
	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	1,042,173	-	904,113	-
Enterprise Systems				
Commercial Desktop, PC and notebooks, Server, storage, software and networking products	1,155,364	-	934,040	-
ICT Services				
Services, cloud and maintenance	302,168	2,775	242,831	1,536
	<u>2,499,705</u>	<u>2,775</u>	<u>2,080,984</u>	<u>1,536</u>

(d) Segment assets

	As at 30/09/2025 RM'000	As at 31/12/2024 RM'000
ICT Distribution	691,672	520,234
Enterprise Systems	370,891	316,506
ICT Services	24,356	14,457
Total reportable segment assets	<u>1,086,919</u>	<u>851,197</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30/09/2025 RM'000	As at 31/12/2024 RM'000
<u>Reconciliation of reportable segment assets:</u>		
Total reportable segment assets	1,086,919	851,197
Other non-reportable segments assets	141,184	161,250
Elimination of inter-segment balances	(153,945)	(134,525)
Consolidated total assets	<u>1,074,158</u>	<u>877,922</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.

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 30/09/2025 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	<u>207,070</u>	<u>207,332</u>

(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 NINE MONTHS ENDED 30 SEPTEMBER 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 RM904,000.

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 30/09/2025 RM'000	Current Year To-date 30/09/2025 RM'000
Addition to plant and equipment	1,067	6,064

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 30/09/2025 RM'000	Balance Due From/(To) As at 30/09/2025 RM'000
Transactions with a joint venture company:		
Lease liabilities	(1,485)	-
Administrative and accounting charges	14	2
Transactions with an associate company:		
Sales	268	29
Support services	(39)	(39)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30/09/2025 RM'000	Preceding Year Corresponding Quarter 30/09/2024 RM'000	Changes %	Current Year To-date 30/09/2025 RM'000	Preceding Year Corresponding Period 30/09/2024 RM'000	Changes %
Revenue	991,943	841,764	17.8	2,502,480	2,082,520	20.2
Gross profit	61,241	48,919	25.2	157,826	124,432	26.8
<i>GP margin %</i>	<i>6.2%</i>	<i>5.8%</i>		<i>6.3%</i>	<i>6.0%</i>	
Profit before tax	34,969	26,484	32.0	85,002	65,532	29.7
Profit for the period	25,778	19,567	31.7	63,697	49,134	29.6

Q3 FY2025 compared with Q3 FY2024

For Q3 FY2025, the revenue increased by 17.8% to RM991.9 million from RM841.8 million last year attributed to higher sales from all three business segments. With higher sales, Gross profit (GP) increased by 25.2% to RM61.2 million from RM48.9 million last year.

With higher GP, Profit Before Tax (PBT) increased by 32.0% to RM35.0 million from RM26.5 million last year after recording forex and fair value gain of RM2.3 million compared to loss of RM352,000 last year, but was mitigated by a higher impairment loss on financial instruments by RM1.6 million.

Quarterly Segmental Result

The performance of the three business segments for Q3 FY2025 compared with Q3 FY2024 were as follows:

a) ICT Distribution

Revenue increased by 11.1% mainly from consumer notebook, tablets and accessories. However, due to lower GP margin resulting from product mix, the gross profit decreased by 21.1% to RM10.9 million from RM13.8 million last year. With lower GP, PBT decreased by 25.6% to RM5.0 million from RM6.7 million last year.

b) Enterprise Systems

Revenue increased by 26.6% across all major products categories except servers and commercial printers. With higher sales and GP, PBT increased by 58.9% to RM21.7 million from RM13.7 million last year.

c) ICT Services

Revenue increased by RM12.0 million, mainly contributed by growth in cloud services. With higher sales and GP, PBT increased by 59.1% to RM6.5 million from RM4.1 million last year.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2025**PART B EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS****15. Review of performance (continue)****9 months ended 30 September 2025 compared with 30 September 2024**

For 9 months FY2025, sales increased by 20.2% to RM2.50 billion compared with RM2.08 billion last year driven by growth across all three business segments. With higher sales, GP increased by 26.8% to RM157.8 million from RM124.4 million last year.

With improved GP, PBT increased by 29.7% to RM85.0 million from RM65.6 million. The improvement was underpinned by foreign exchange and fair value gains totalling RM2.0 million compared to RM1.3 million last year, but was mitigated by higher impairment loss on financial instruments by RM5.1 million.

Year-to-date Segmental Result

The performance of the three business segments for 9 months period ended 30 September 2025 as compared to previous year-to-date were as below:

a) ICT Distribution

Revenue increased by 15.3% mainly from consumer notebook, smartphones and gaming devices. With higher sales but mitigated by lower GP margin of 3.0% compare to 3.6% last year, PBT increased slightly by 2.6% to RM14.9 million compared to RM14.5 million last year.

b) Enterprise Systems

Revenue increased by 23.7% across all major products except servers and commercial printers and supplies. With higher sales and GP, PBT increased by 42.8% to RM50.7 million from RM35.5 million last year.

c) ICT Services

Revenue increased by RM60.6 million, mainly contributed by growth in cloud and services. With higher sales and GP, PBT increased by 38.5% to RM14.6 million compared to RM10.6 million last year.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30/09/2025 RM'000	Immediate Preceding Quarter 30/06/2025 RM'000	Changes %
Revenue	991,943	818,869	21.1
Gross Profit	61,241	49,674	23.3
<i>GP margin %</i>	<i>6.2%</i>	<i>6.1%</i>	
Share of profit of equity-accounted associate, net of tax	1,222	862	41.8
Share of profit of equity-accounted joint venture, net of tax	142	160	(11.3)
Profit before tax	34,969	26,815	30.4
Profit for the period	25,778	20,168	27.8

Q3 FY2025 revenue increased by 21.1% contributed by higher sales from all 3 business segments. PBT for Enterprise Systems and ICT Services increased by 38.4% and 69.9% respectively. However, PBT for ICT Distribution Segment decreased by 11.5% to RM5.0 million from RM5.6 million preceding quarter due to lower GP margin.

Overall, the Group PBT increased by 30.4% to RM35.0 million compared with RM26.8 million in preceding quarter.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2025 RM'000	Preceding Year Corresponding Quarter 30/09/2024 RM'000	Current Year To-date 30/09/2025 RM'000	Preceding Year Corresponding Period 30/09/2024 RM'000
Depreciation	(1,209)	(861)	(3,157)	(2,534)
Inventories written down	(976)	(87)	(2,523)	(2,002)
Other income/(expense):				
Foreign exchange gain - Realised	647	1,482	2,651	2,781
Foreign exchange (loss)/gain - Unrealised	(963)	9,014	2,480	7,324
Fair value gain/(loss) on forward exchange contract	2,568	(10,848)	(3,105)	(8,829)
Fair value loss on other investment	(1)	(24)	(33)	(21)
Gain on fixed assets disposal	-	23	89	170
Others	20	43	55	73
	2,271	(310)	2,137	1,498

UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 RM35.0 million mainly due to higher working capital and acquisition of plant and equipment.

(b) Receivables, deposit and prepayments

Receivables, deposit and prepayments consists of trade receivable of RM604.6 million, an increased of RM176.9 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 30 September 2025 were as follows:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Current (not past due)	282,672	-	282,672
Past due 1 - 30 days	144,470	-	144,470
Past due 31 - 60 days	85,566	-	85,566
Past due 61 - 90 days	90,528	-	90,528
	<hr/>		
	603,236	-	603,236
Past due more than 90 days	5,865	(4,523)	1,342
Individual impaired	3,282	(3,282)	-
	<hr/>		
	612,383	(7,805)	604,578

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. An additional allowance of RM3.3 million is provided on a prudent approach for an allegation of invoices dispute with extended payment term. 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 NINE MONTHS ENDED 30 SEPTEMBER 2025

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

19. Prospects

Malaysia's economy is expected to demonstrate resilient growth of 5.2% year-on-year in the third quarter of 2025, which marked an improvement from the 4.4% recorded in the previous quarter.

The Malaysian Budget 2026 further bolsters this outlook by allocating RM6 billion toward AI research and development, as well as adoption initiatives under the National AI Action Plan 2030. This funding aims to catalyse a comprehensive digital transformation across government, industry, and academia, unlocking the full potential of ICT ecosystems.

Ground-level market feedback indicates that consumer spending remained cautious during the third quarter of 2025. The consumer electronics sector experienced its weakest performance of the year, with a decline in sales of big-ticket items.

The enterprise segment continues to expand, fuelled by strong demand from the FSI and public sectors. Both government and commercial entities are actively upgrading their ICT infrastructure to enhance business efficiency and public service delivery.

Given the robust business landscape across our 3 key segments - consumer, enterprise and services, we are optimistic on achieving a good year in sales revenue and profit for 2025.

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
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Current year	9,078	7,317	22,332	16,965
Under provision in prior year	485	429	485	429
	<u>9,563</u>	<u>7,746</u>	<u>22,817</u>	<u>17,394</u>
Deferred tax	(372)	(829)	(1,512)	(996)
	<u>9,191</u>	<u>6,917</u>	<u>21,305</u>	<u>16,398</u>
Effective tax rate	26.3%	26.1%	25.1%	25.0%

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.

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23. Borrowings and debt securities

The Group's borrowings were as follows:

	As at 30/09/2025 RM'000	As at 31/12/2024 RM'000
Long-term borrowing:		
Hire purchase	64	149
Short-term borrowing:		
Banker's Acceptances - Unsecured	40,700	-
Hire purchase	373	372
	<u>41,073</u>	<u>372</u>

The banker's acceptance of RM40.7 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

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

25. Dividend

The Board of Directors has declared a single tier interim dividend of 2.8 sen per ordinary share for the financial year ending 31 December 2025.

The dividend will be paid on 7 January 2026 in respective of deposited securities as at 16 December 2025.

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 Quarter 30/09/2025	Preceding Year Corresponding Quarter 30/09/2024	Current Year To-date 30/09/2025	Preceding Year Corresponding Period 30/09/2024
Profit attributable to equity holders of the Company (RM'000)	25,778	19,567	63,697	49,134
Weighted average number of ordinary shares ('000)	356,555	356,555	356,555	356,555
Basic earnings per share (sen)	7.2	5.5	17.9	13.8
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.

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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

12 November 2025
Selangor