



VSTECS HOLDINGS LIMITED

(Stock Code : 0856.HK)

**VSTECS's 2018 Interim Results Continued to Grow Rapidly
Net Profit Surged by 36.3% to HK\$362 Million
Burgeoning Enterprise IT + Industry Services
Facilitated Interim Results to Achieve New High**

VSTECS's 2018 Interim Results Highlights

- The net profit of the Group recorded approximately HK\$362 million, representing a substantial increase of approximately 36.3% as compared with last year;
- The turnover of the Group recorded approximately HK\$27.9 billion, representing an increase of approximately 16.4% as compared with last year;
- The gross profit of the Group recorded approximately HK\$1.25 billion, representing an increase of approximately 28.8%;
- The operating profit of the Group recorded approximately HK\$546 million, representing an increase of approximately 25.9%;
- The return on equity increased to 15.9%, outperform the peers in the industry;
- Basic earnings per share for the 6 months ended 30 June 2018 was approximately HK 25.22 cents per share.

(28 August 2018 - Hong Kong) **VSTECS Holdings Limited** (“VSTECS” or “the Company”, together with its subsidiaries the “the Group”, stock code: 856.HK), the largest technology product solution and supply chain service platform in the Asia-Pacific region, is pleased to announce its consolidated results for the 6 months ended 30 June 2018 (the “**reporting period**”).

Maintaining the growth momentum that outperform the industry average, VSTECS seized the opportunities brought by the big data boom in the ever-changing technology sector, the results of the Group continuous to grow in the first half of 2018 with a turnover increase of 16.4% to HK\$27.9 billion and a surging net profit of 36.3% to HK\$362 million. During the period under review, the turnover of the Group increased from HK\$24.0 billion as at 30 June 2017 to

approximately HK\$27.9 billion as at 30 June 2018; the gross profit recorded approximately HK\$1.25 billion as at 30 June 2018 (2017: HK\$974 million). Basic earnings per share for the reporting period was HK 25.22 cents (2017: HK 18.72 cents) per share.

In terms of segments, the Group's revenue from the components products segment recorded HK\$5.2 billion, contributing 18.5% of the total Group revenue; revenue from the mobility digital devices segment significantly increased by 30.5% to HK\$12.6 billion, contributing 45.2% of the total Group revenue; revenue from the cloud and big data analytics segment increased by 16.7% to HK\$6.6 billion, contributing 23.7% of the total Group revenue; revenue from the network and data security segment substantially increased by 31.6% to HK\$3.5 billion. In terms of geographical distribution, the Company's business in North Asia and South East Asia achieved sound performance. In particular, revenue generated in North Asia increased by 12.1% to HK\$21.7 billion, revenue from South East Asia increased by 34.2% to HK\$6.3 billion, contributing 77.6% and 22.4% of the total Group revenue respectively.

Enterprise Services Developed Rapidly and Profit Margin Enhanced

Reviewing on the first half of 2018, VSTECS was striving to expand value-added services such as cloud and big data analytics, network and data security, enterprise service solutions to achieve the improvement of profit margin. Gross margin increased from 4.1% for the six months ended 30 June 2017 to 4.5% for the six months ended 30 June 2018. Net profit increased from 1.1% for the same period last year to 1.3% for the six months ended 30 June 2018.

Meanwhile, VSTECS actively expands the IT services and recruit talents. Leveraging on cloud computing, big data and artificial intelligence, it seeks innovation in business to develop industry services, explore new market, create growth driver, and corporate value. Its target customers include government, bank, tax bureau, insurance companies, customs department, foreign exchange authority, etc. Provides a series of professional services such as finance, taxation, commerce, and legal services for hundreds of thousands of enterprises to create a new service ecosystem of enterprise-level "IT+ industry", thereby enhancing its competitiveness, increasing business opportunities and strengthening profitability.

Entering Rapid Growth Period by "New Business, New Platform, Thriving Future" Strategy

During the period, VSTECS has officially appointed Mr. Zhou Yibing, the former Chief Executive Officer of Digital China Information Service Company Ltd., as the Company's Deputy Chairman, Executive Director and Chairman of the China Region. Mr. Zhou is experienced with strong connection in related fields such as big data and cloud computing, which bringing a new atmosphere to the Company. In order to commence the new business smoothly and establish a new ecosystem, VSTECS announced the creation of a resources and talents consolidating platform at the press conference held in late June. The Company will build a more diverse

cooperation mechanism and corresponding management and profit sharing mechanisms. The cooperation will firstly be commenced between companies, and later between companies and teams, as well as between companies and individuals, by various means, such as partnership, teams, talents introduction, investment and M&A. In the future, VSTECS will take advantage of the development of the new business to further the cooperation with the upstream and downstream partners, forming a closed-loop ecosystem. In addition, the Group will recruit more talents and seek a mutual development with these distinguished talents, so as to push ahead with the growth of the new business.

With the launch of the new business and new platform, VSTECS will further upgrade its closed-loop ecosystem and work together with its partners to capture future market opportunities.

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About VSTECS Holdings Limited (Stock Code: 856.HK)

Established in 1991, VSTECS Holdings Limited (“VSTECS”) is the largest technology product solutions and supply chain services platform in the Asia Pacific. VSTECS’s compounded annual growth rate (CAGR) for revenue and net profit were 32% and 37% respectively in the past 16 years since listed in 2002. In 2017, VSTECS achieved record high revenue of over HK\$54.5 billion. VSTECS has four major business segments: mobility digital devices, components products, cloud computing and big data analytics, and network and data security. VSTECS’s products portfolio comprises of 12 fields, including cloud computing, mobile devices, system equipment, software, information security, network infrastructure, data storage, computer components, internet of things application, gaming, drones and virtual reality products. For new business development, VSTECS is striving to establish supply chain financing services and new retail. VSTECS has strategic partnership with over 240 global top 500 technology companies for upstream vendors and over 45,000 downstream channel partners. VSTECS has 81 offices in nine countries, namely China, Thailand, Malaysia, Singapore, Indonesia, Cambodia, Myanmar, Laos and the Philippines.

For more information, please visit VSTECS’s website: www.vsteecs.com.

This press release is issued by **Wonderful Sky Financial Group Holdings Limited** on behalf of **VSTECS Holdings Limited**.

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