

For Immediate Release



Despite market volatility, VSTECS achieves robust growth in 1H2019

Cloud & big data analytics segment's revenue achieved double-digit growth

VSTECS's First Half of 2019 Results Highlights

- The revenue of the Group recorded approximately HK\$30 billion, representing an increase of approximately 7.5% as compared with the corresponding period last year;
- The net profit attributable to equity shareholders of the Group recorded approximately HK\$392 million, representing an increase of approximately 8.3% as compared with the corresponding period last year;
- The gross profit of the Group recorded approximately HK\$1.43 billion, representing an increase of approximately 14.1% as compared with the corresponding period last year;
- Basic earnings per share for the six months ended 30 June 2019 was approximately HK 27.56 cents per share, representing an increase of approximately 9.3% as compared with the corresponding period last year

(22 August 2019 - Hong Kong) **VSTECS Holdings Limited** (“VSTECS” or “the Company”, together with its subsidiaries the “the Group”, stock code: 856.HK), the leader of IT product channel development and technical solution integration services provider in Asia Pacific, is pleased to announce its unaudited consolidated results for the six months ended 30 June 2019 (the “**reporting period**”).

VSTECS thrived on the big data boom, and maintained its leading growth momentum in the first half of 2019. Multiple performance indexes of the Group recorded a steady growth during the reporting period. The revenue of the Group increased by 7.5% to approximately HK\$30 billion (corresponding period in 2018: HK\$27.9 billion). The gross profit of the Group increased by 14.1% to approximately HK\$1.43 billion (corresponding period in 2018: HK\$1.25 billion). The net profit attributable to equity shareholders of the Group increased by 8.3% to approximately HK\$392 million (corresponding period in 2018: HK\$362 million). Basic earnings per share for

the reporting period was HK27.56 cents (corresponding period in 2018: HK 25.22 cents) per share.

In terms of segments, the Group's revenue from the cloud and big data analytics segment achieved a double-digit growth rate, increased by 11.1% to HK\$ 7.36 billion, contributing 24.5% of the total Group revenue; revenue from the mobility digital devices segment amounted to HK\$12.08 billion, contributing 40.2% of the total Group revenue; revenue from the network and data security segment increased by 15.5% to HK\$4.08 billion, contributing 13.6% of the total Group revenue; revenue from the components products segment increased by 26.4% to approximately HK\$ 6.52 billion, contributing 21.7% of the total Group revenue.

Actively engage in cloud computing market

In the first half of 2019, VSTECS proactively addressed the demands of the big data, cloud computing and innovative technology markets, advancing the development of new business segments such as cloud computing and big data. By establishing close partnerships with cloud providers and conducting its own research and development, the Company's cloud segment continued to offer leading products, technologies, solutions and services, underpinning the industry upgrade and cloud optimization.

Its efforts in the development of the cloud business have started to yield results. For instance, VSTECS strengthen the strategic cooperation with Alibaba Cloud by leverages on the company's expertise in its thorough understanding of the industry and its extensive coverage across online and offline channels to unleash Alibaba Cloud's solid capabilities and technologies, helping Alibaba Cloud export its products and technologies, extend the cloud ecosystem and implement industry upgrade; on the other hand, VSTECS became the Cloud Live Technology facial recognition product and solution first class distributor; and became the distributor for CStack through strategic collaboration, in which both parties will complement each other to facilitate the application, promotion and development of the cloud computing and related businesses, while exploring new business models, boosting sales of new products and building new channels.

Foster the growth of innovative technology business

VSTECS continued to expand the distribution business in the first half of 2019, working relentlessly to extend its reach to the IT services at the industry and enterprise levels and advancing the development of the business related to innovative technology. For example, upon entering into a strategic agreement with iFLYTEK, VSTECS has become the general agency for the smart recording pens of iFLYTEK in the Mainland China, and will continue to explore offline distribution channels and leverage the technology and products of iFLYTEK to develop the AI market; VSTECS also strengthened the cooperation and exchanges with HP on 3D printing so as to lay a better foundation for future project cooperation and execution, to establish a positive 3D printing ecosystem in China, and to initiate more comprehensive strategic cooperation in product application and development, project incubation and talent

cultivation; as the general agency for the “AI Teaching Laboratory” of TUS AI-Shared, VSTECs will leverage the technology of TUS AI-Shared to progressively identify new development directions in the AI education sector.

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

Established in 1991, VSTECS Holdings Limited (“VSTECS”) the leader of IT product channel development and technical solution integration services provider in Asia Pacific. VSTECS’s compounded annual growth rate (CAGR) for revenue and net profit were 31% and 36% respectively in the past 17 years since listed in 2002. In 2018, VSTECS achieved record high revenue of over HK\$6.25 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 300 global top 500 technology companies for upstream vendors and over 48,000 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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