

**ECS ICT BERHAD (COMPANY NO. 351038-H) (“ECSB” OR THE “COMPANY”)**

**RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE (“RRPTs”)**

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**1. INTRODUCTION**

Pursuant to Paragraph 10.09(1)(a) of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Board of Directors of ECSB wishes to announce that the following subsidiary of ECSB (“**ECSB Group**”) had in the ordinary course of business, entered into the RRPTs as disclosed below, and the aggregated actual value of such RRPTs transacted for the period from 1 August 2017 to 31 July 2018 has exceeded the percentage ratio of 1% as prescribed under Paragraph 10.09(1)(a) of the Main LR:-

<b>Transacting Company within ECSB</b>	<b>Related Transacting Company</b>	<b>Interested Directors/Major Shareholders/Persons Connected</b>	<b>Nature of RRPTs</b>	<b>Amount (RM)</b>
ECS Pericomp Sdn Bhd	ECS Computers (Asia) Pte Ltd (“ <b>ECS Computers Asia</b> ”)	(i) ECS Holdings Limited (ii) VSTECS Holdings Limited (iii) Ong Wei Hiam (iv) Chow Ying Chi	Purchase of ICT products	3,456,436/-
<b>Total :</b>				<b>3,456,436/-</b>

**2. RATIONALE FOR THE RRPTs**

The RRPTs are within the ordinary course of business of the ECSB Group. The RRPTs are made on arm’s length basis and on normal commercial terms which are not more favourable to the related party than those generally available to the public.

**3. FINANCIAL EFFECTS OF THE RRPTs**

The RRPTs will not have any effect on the share capital and substantial shareholders’ shareholdings in the Company. The RRPTs are not expected to have any material effect on the earnings per share, gearing and net assets per share of the ECSB Group.

**4. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

Save as disclosed below, none of the Directors and/or major shareholders of the Company as well as persons connected with them have any interest, whether direct or indirect, in the RRPTs:-

- (a) ECS Holdings Limited is a major shareholder of ECSB and a holding company of ECS Computers Asia.
- (b) VSTECS Holdings Limited is an indirect major shareholder of ECSB and ECS Holdings Limited is a wholly-owned subsidiary of VSTECS Holdings Limited.

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- (c) Mr. Ong Wei Hiam is a Non-Independent Non-Executive Director of ECSB; Director of ECS Computers Asia; Executive Director of ECS Holdings Limited; and Group Chief Financial Officer and the Executive Director of VSTECS Holdings Limited.
- (d) Ms. Chow Ying Chi is a Non-Independent Non-Executive Director of ECSB and Group Chief Operating Officer and Executive Director of VSTECS Holdings Limited.

**5. FINANCIAL EFFECTS**

The RRPTs do not have any effect on the Company’s share capital and substantial shareholders’ shareholdings and do not have any material effect on the earnings per share, net assets per share and gearing of ECSB Group for the financial year ending 31 December 2018.

**6. STATEMENT BY AUDIT COMMITTEE**

The Audit Committee having considered the rationale for the RRPTs and all aspects of the RRPTs, is of the view that the conduct of the RRPTs are in the best interests of ECSB Group. The Audit Committee further opined that the RRPTs which are based on normal commercial terms, are fair, reasonable and not detrimental to the interests of the minority shareholders of the Company.

**7. STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors of the Company, save for the interested directors, having considered all aspects of the RRPTs, is of the view that the conduct of the RRPTs are in the best interests of the ECSB Group. The Board also concurred with the Audit Committee that the RRPTs which are based on normal commercial terms, are fair, reasonable and not detrimental to the interests of the minority shareholders of the Company.

**8. PARAGRAPH 10.02(G) OF THE MAIN LR OF BURSA SECURITIES**

The highest percentage ratio pursuant to Paragraph 10.02(g) of the Main LR of Bursa Securities applicable to the value transacted is 1.27%.

**9. APPROVAL REQUIRED**

The RRPTs are not subject to the approval of the shareholders of the Company.

This announcement is dated 12 July 2018.