



**ECS ICT BERHAD**  
(351038-H)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

	<b>As At 31/12/2017 RM'000</b>	<b>As At 31/12/2016 RM'000</b>
<b>ASSETS</b>		
Plant and equipment	2,819	3,158
Intangible asset	571	571
Investment in joint venture	12,834	-
Investment in club membership	62	62
Deferred tax assets	808	1,385
Trade receivables	-	4,613
<b>Total non-current assets</b>	<b>17,094</b>	<b>9,789</b>
Inventories	122,980	113,447
Receivables, deposits and prepayments	281,629	265,030
Cash and cash equivalents	50,526	110,215
<b>Total current assets</b>	<b>455,135</b>	<b>488,692</b>
<b>TOTAL ASSETS</b>	<b>472,229</b>	<b>498,481</b>
<b>EQUITY</b>		
Share capital	90,000	90,000
Reserves	182,492	166,124
<b>Total equity attributable to owners of the Company</b>	<b>272,492</b>	<b>256,124</b>
<b>LIABILITIES</b>		
Payables and accruals	198,634	240,639
Tax payable	1,103	1,718
<b>Total current liabilities</b>	<b>199,737</b>	<b>242,357</b>
<b>Total liabilities</b>	<b>199,737</b>	<b>242,357</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>472,229</b>	<b>498,481</b>
Net assets per share attributable to owners of the Company (RM)	1.51	1.42

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

	Note	Individual Quarter Three Months Ended		Cumulative Quarter Twelve Months Ended	
		31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
<b>Revenue</b>		501,223	551,579	1,855,030	1,823,383
Cost of sales		(474,821)	(523,615)	(1,767,560)	(1,730,774)
<b>Gross profit</b>		<u>26,402</u>	<u>27,964</u>	<u>87,470</u>	<u>92,609</u>
Distribution expenses		(7,206)	(4,861)	(34,276)	(34,069)
Administrative expenses		(6,168)	(6,598)	(21,705)	(22,134)
Other income	17	992	405	1,354	2,671
<b>Results from operating activities</b>	17	<u>14,020</u>	<u>16,910</u>	<u>32,843</u>	<u>39,077</u>
Finance income		517	591	2,136	2,077
Finance costs		-	(782)	-	(783)
Net finance income		517	(191)	2,136	1,294
Share of profit of equity-accounted joint venture, net of tax		638	-	664	-
<b>Profit before tax</b>		<u>15,175</u>	<u>16,719</u>	<u>35,643</u>	<u>40,371</u>
Tax expense	21	(3,625)	(4,142)	(9,375)	(10,229)
<b>Profit for the period / Total comprehensive income for the period</b>		<u>11,550</u>	<u>12,577</u>	<u>26,268</u>	<u>30,142</u>
<b>Profit for the period / Total comprehensive income for the period attributable to:</b>					
Owners of the Company		11,550	12,577	26,268	30,142
Non-controlling interest		-	-	-	-
		<u>11,550</u>	<u>12,577</u>	<u>26,268</u>	<u>30,142</u>
<b>Earnings per share attributable to owners of the Company:</b>					
Basic (sen)	26	6.4	7.0	14.6	16.7
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 2016 and the accompanying explanatory notes attached to the interim financial statements.



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<- Attributable to owners of the Company - >			Non-	Total
	Share	Distributable	Total	Controlling	Equity
	Capital	Retained		Interest	
	RM'000	Earnings	RM'000	RM'000	RM'000
		RM'000	RM'000		
At 1 January 2016	90,000	146,782	236,782	-	236,782
Profit for the period / Total comprehensive income for the period	-	30,142	30,142	-	30,142
Dividend	-	(10,800)	(10,800)	-	(10,800)
At 31 December 2016	<u>90,000</u>	<u>166,124</u>	<u>256,124</u>	<u>-</u>	<u>256,124</u>
At 1 January 2017	90,000	166,124	256,124	-	256,124
Profit for the period / Total comprehensive income for the period	-	26,268	26,268	-	26,268
Dividend	-	(9,900)	(9,900)	-	(9,900)
At 31 December 2017	<u>90,000</u>	<u>182,492</u>	<u>272,492</u>	<u>-</u>	<u>272,492</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 2016 and the accompanying explanatory notes attached to the interim financial statements.*



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Twelve Months Ended</b>	
	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before tax	35,643	40,371
<i>Adjustments for:</i>		
Non-cash items	628	1,326
Non-operating items	(2,800)	(1,294)
Operating profit before changes in working capital	<u>33,471</u>	<u>40,403</u>
Change in inventories	(9,533)	(2,612)
Change in receivables, deposits and prepayment	(13,857)	(70,803)
Change in payables and accruals	(39,076)	48,573
Cash (used in)/generated from operations	<u>(28,995)</u>	<u>15,561</u>
Tax paid	(9,413)	(11,518)
Net cash (used in)/generated from operating activities	<u>(38,408)</u>	<u>4,043</u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of joint venture company	(12,170)	-
Purchase of plant and equipment	(1,016)	(1,248)
Proceeds from disposal of plant and equipment	137	6
Net cash used in investing activities	<u>(13,049)</u>	<u>(1,242)</u>
<b>Cash Flows from Financing Activities</b>		
Interest received	1,668	1,978
Interest paid	-	(1)
Dividend paid	(9,900)	(10,800)
Net cash used in financing activities	<u>(8,232)</u>	<u>(8,823)</u>
<b>Net decrease in cash and cash equivalents</b>	(59,689)	(6,022)
Cash and cash equivalents at beginning of period	<u>110,215</u>	<u>116,237</u>
<b>Cash and cash equivalents at end of period</b>	<u>50,526</u>	<u>110,215</u>
<b>Cash and cash equivalents comprise the following:</b>		
Cash and bank balances	<u>50,526</u>	<u>110,215</u>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.*



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

**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 2016.

The consolidated financial statements of the Group as at and for the financial year ended 31 December 2016 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. Significant 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 2016, except with the adoption of the following Malaysian Financial Reporting Standards ("MFRS"), Issues Committee ("IC") Interpretations and Amendments to MFRS for financial period beginning on or after 1 January 2017:

- Amendments to MFRS 12, Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative
- Amendments to MFRS 112, Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRS 12 is not applicable to the Group.

The adoption of the above standards and amendments are not expected to have material financial impacts 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 were no changes in estimates of amounts that have had a material effect in the current financial quarter results.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

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

**6. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and the financial year-to-date.

**7. Dividends paid**

During the year, the company paid the following dividend:

A single tier final dividend of 3.0 sen per share, totalling RM5,400,000 in respect of the financial year ended 31 December 2016 was paid on 15 June 2017.

A single tier interim dividend of 2.5 sen per share totalling RM4,500,000 in respect of the financial year ended 31 December 2017 was paid on 14 December 2017.

**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 volume ICT products to resellers, comprising mainly retailers
- (ii) Enterprise Systems      Distribution of value 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**

	<b>ICT Distribution RM'000</b>	<b>Enterprise Systems RM'000</b>	<b>ICT Services RM'000</b>	<b>Total RM'000</b>
<b><u>12 months financial period ended 31 December 2017</u></b>				
External revenue	1,436,073	383,102	35,855	1,855,030
Inter-segment revenue	39,461	2,225	3,417	45,103
Total revenue	<u>1,475,534</u>	<u>385,327</u>	<u>39,272</u>	<u>1,900,133</u>
Reportable segment profit before tax	<u>22,420</u>	<u>10,276</u>	<u>718</u>	<u>33,414</u>
<b><u>12 months financial period ended 31 December 2016</u></b>				
External revenue	1,408,045	377,889	37,449	1,823,383
Inter-segment revenue	9,508	4,211	3,728	17,447
Total revenue	<u>1,417,553</u>	<u>382,100</u>	<u>41,177</u>	<u>1,840,830</u>
Reportable segment profit before tax	<u>20,864</u>	<u>15,598</u>	<u>1,422</u>	<u>37,884</u>



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017

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

**8. Segmental reporting (continued)**

**(b) Reconciliation of reportable segment profit and loss:**

	<b>Current Year To- date 31/12/2017 RM'000</b>	<b>Preceding Year Corresponding Period 31/12/2016 RM'000</b>
Total profit for reportable segments before tax	33,414	37,884
Other non-reportable segments profit	11,524	12,563
Eliminate of inter-segments profit and loss	(9,295)	(10,076)
Consolidated profit before tax	<u>35,643</u>	<u>40,371</u>

**(c) Segment assets**

	<b>As at 31/12/2017 RM'000</b>	<b>As at 31/12/2016 RM'000</b>
ICT Distribution	349,270	333,042
Enterprise Systems	122,943	135,188
ICT Services	7,096	4,037
Total reportable segment assets	<u>479,309</u>	<u>472,267</u>
<u>Reconciliation of reportable segment:</u>		
Total reportable segment assets	479,309	472,267
Other non-reportable segments assets	126,450	126,680
Elimination of inter-segment balances	(133,530)	(100,466)
Consolidated total	<u>472,229</u>	<u>498,481</u>

There were no major changes in segment assets during the period.

**(d) Segment liabilities**

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Chief Executive Office. 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 except as disclosed in Note 10.

**10. Changes in the composition of the Group**

On 26 July 2017, the Company entered into a Share Sale Agreement with Dato' Teo Chiang Quan to acquire 1,000,000 ordinary shares in Enrich Platinum Sdn Bhd ("EP"), representing 50% of the total issued share capital of EP, for a total purchase consideration of RM12,170,000.

With the completion of the above Share Sale Agreement on 12 September 2017, EP became a 50% owned joint venture company.



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UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017

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

**11. Contingent liabilities and contingent assets**

**(a) Contingent liabilities**

	As At 31/12/2017 RM'000	As At 31/12/2016 RM'000
Guarantees to suppliers and licensed banks for trade credit facilities granted by holding company to Group entities	146,850	147,288

**(b) Contingent assets**

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

**12. Capital commitments**

The capital expenditure contracted but not provided for as at the end of the current financial period amounted to RM282,000.

**13. Capital expenditure**

The major additions and disposals to plant and equipment during the current quarter and financial year-to-date were as follows:

	Current Year Quarter 31/12/2017 RM'000	Current Year To-date 31/12/2017 RM'000
Plant and equipment: Additions	121	1,016

**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 31/12/2017 RM'000	Balance Due From/(To) As at 31/12/2017 RM'000
Transactions with a company in which a Director has substantial interest:		
Enrich Platinum Sdn Bhd - Rental expenses	(1,922)	-
Enrich Platinum Sdn Bhd - Administrative and accounting charges	6	6





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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

**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	Preceding Year	Changes	Current Year	Preceding Year	Changes
	Quarter	Corresponding		To-date	Period	
	31/12/2017	31/12/2016	%	31/12/2017	31/12/2016	%
	RM'000	RM'000		RM'000	RM'000	
Revenue	501,223	551,579	(9.1)	1,855,030	1,823,383	1.7
Gross profit	26,402	27,964	(5.6)	87,470	92,609	(5.5)
GP margin %	5.3%	5.1%		4.7%	5.1%	
Profit before tax	15,175	16,719	(9.2)	35,643	40,371	(11.7)
Profit for the period	11,550	12,577	(8.2)	26,268	30,142	(12.9)

**Q4 2017 compared with Q4 2016**

For Q4 FY2017, the Group recorded lower revenue of RM501.2 million, a decrease of 9.1% compared with RM551.6 million last year due to lower revenue from ICT Distribution segment. With lower sales, gross profit (GP) decreased by 5.6% to RM26.4 million compared with RM28.0 million last year.

For Q4 FY2017, the distribution expenses increased by 48.2% to RM7.2 million from RM4.9 million last year due to a reversal of impairment on trade receivables of RM3.2 million last year. With lower sales and higher reversal of impairment on trade receivables last year, profit before tax (PBT) decreased by 9.2% to RM15.2 million compared with RM16.7 million last year.

**Quarterly Segmental Result**

The performance of the three business segments for Q4 FY2017 compared with Q4 FY2016 were as follows:

a) ICT Distribution

Revenue decreased by 15.7% with lower sales mainly from Notebook, PC and mobility products namely tablets and smartphones. However, with improved product mix and lower sales related expenses, the PBT increased by 8.9% to RM9.5 million compared with RM8.7 million last year.

b) Enterprise Systems

Revenue increased by 12.5% with higher sales from servers and workstation. However, with lower GP margin in this quarter and higher reversal of impairment on trade receivables in previous year's quarter, the PBT decreased by 34.8% to RM4.5 million compared with RM6.9 million last year.

c) ICT Services

Revenue increased by RM3.2 million. However, with lower GP margin and higher operating expenses, the PBT decreased to RM298,000 compared with RM528,000 last year.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

**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 31.12.2017 compared with 31.12.2016**

For 12 months period ended 31 December 2017, the Group recorded revenue of RM1,855.0 million, an increase of 1.7% compared with the previous year's corresponding period of RM1,823.4 million mainly due to higher revenue from ICT Distribution segment. However GP decreased to RM87.5 million from RM92.6 million last year due to lower GP margin of 4.7% compared with 5.1% last year because of the competitive market.

Mainly due to lower GP, the PBT decreased by 11.7% to RM35.6 million from RM40.4 million last year.

**Year-to-date Segmental Result**

The performance of the three business segments for 12 months period ended 31 December 2017 as compared to previous year-to-date were as below:

a) ICT Distribution

Revenue increased by 2.0% with higher sales mainly from Mobility and Drones. With higher sales and GP, the PBT increased by 7.5% to RM22.4 million compared with last year's corresponding period of RM20.9 million.

b) Enterprise Systems

Revenue increased by 1.4% mainly due to higher sales from workstation, storage and software. However, with lower GP margin due to the product mix and intense competition, PBT decreased by 34.1% to RM10.3 million compared with last year corresponding period of RM15.6 million.

c) ICT Services

Revenue decreased by RM1.6 million from lower revenue of Enterprise Systems. With lower sales and GP, the PBT decreased to RM0.7 million compared with last year corresponding period of RM1.4 million.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

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

**16. Financial review of current quarter compare with immediate preceding quarter**

	<b>Current Quarter 31/12/2017 RM'000</b>	<b>Immediate Preceding Quarter 30/09/2017 RM'000</b>	<b>Changes %</b>
Revenue	501,223	446,160	12.3
Gross Profit	26,402	21,075	25.3
<i>GP margin %</i>	5.3%	4.7%	
Profit before tax	15,175	7,212	110.4
Profit for the period	11,550	4,887	136.3

All 3 business segments showing improvement with revenue from ICT Distribution Segment increased by 5.9%, Enterprise Systems increased by 33.3% and ICT Services increased by 41.6%. Total revenue increased by 12.3% to RM501.2 million from RM446.2 million for the preceding quarter.

With higher sales and GP margin, PBT increased by 110.4% to RM15.2 million from RM7.2 million for the preceding quarter.

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31/12/2017 RM'000</b>	<b>Preceding Year Corresponding Quarter 31/12/2016 RM'000</b>	<b>Current Year To-date 31/12/2017 RM'000</b>	<b>Preceding Year Corresponding Period 31/12/2016 RM'000</b>
Depreciation	(331)	(363)	(1,323)	(1,493)
Reversal of impairment on trade receivables	130	3,191	230	504
Reversal of / (Inventories written down)	341	836	(148)	(1,844)
<b>Other Income/(Expenses):</b>				
Bad debts recovered	1	49	11	705
Foreign exchange gain - Realised	234	463	641	1,798
Foreign exchange gain/(loss) - Unrealised	1,744	(1,221)	5,027	(2,199)
Fair value (loss)/gain on financial instruments	(994)	1,113	(4,436)	2,370
Gain/(Loss) on fixed assets disposal/(written off)	1	1	104	(4)
Other	6	-	7	1
	<b>992</b>	<b>405</b>	<b>1,354</b>	<b>2,671</b>

The Group is exposed to foreign currency risk on purchases that are mainly denominated in US Dollar ("USD"). However, the Group hedges most of these 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 assets and exceptional items.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

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

**18. Commentaries and disclosure of other information**

**(a) Major changes in financial position and cash flow**

For 12 months period ended 31 December 2017, the cash and cash equivalent decreased from RM110.2 million to RM50.5 million mainly due to acquisition of 50% shares in Enrich Platinum Sdn Bhd for cash consideration of RM12.17 million, payment of accounts payables with higher amount of RM39.1 million, increased in receivables of RM13.9 million and increased in inventories of RM9.5 million.

**(b) Trade receivable**

Trade receivables have a credit term ranging from 14 to 60 days. Aging analysis of trade receivables as at 31 December 2017 were as follows:

	<b>Gross RM'000</b>	<b>Impairment RM'000</b>	<b>Net RM'000</b>
Not past due	162,890	-	162,890
Past due 1 - 30 days	71,553	-	71,553
Past due 31 - 60 days	24,473	-	24,473
Past due 61 - 90 days	3,226	-	3,226
Past due 91 - 180 days	5,622	(206)	5,416
Past due more than 181 days	394	(392)	2
	<b>268,158</b>	<b>(598)</b>	<b>267,560</b>

Impairment is not carried out on the past due trade receivables less than 90 days based on the historical collection trends as these balances are believed to be recoverable. Impairment on the trade receivables above 90 days is assessed based on the likelihood of default.

**19. Prospects**

With Malaysia's forecasted GDP growth rate for 2018 ranging from 5.0% to 5.5% and the strengthen Ringgit against United States Dollar, we are optimistic on the outlook for ICT spending this year.

International Data Corporation (IDC) has forecasted a growth rate of 4.6% for 2018 for ICT spending on our range of products, mainly from Enterprise software, infrastructure and smartphones.

Although the outlook is more positive for 2018, both consumer and corporate spending have remained weak in Q1 while many public sector projects are still pending. The market conditions are still challenging for Q1 2018 but we expect the business to improve from Q2 onwards.

**20. Profit forecast or profit guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

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

**21. Tax expense**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2017 RM'000	31/12/2016 RM'000	31/12/2017 RM'000	31/12/2016 RM'000
Current income tax:				
Current year	2,919	2,978	8,561	10,161
Under/(Over) provision prior year	1	-	237	(223)
	<u>2,920</u>	<u>2,978</u>	<u>8,798</u>	<u>9,938</u>
Deferred tax	705	1,164	577	291
	<u>3,625</u>	<u>4,142</u>	<u>9,375</u>	<u>10,229</u>
Effective tax rate	23.9%	24.8%	26.3%	25.3%

The effective tax rate for current year was higher than the Malaysian tax rate of 24% due to certain expenses which were not deductible for tax purposes and under provision of tax expenses in prior year.

**22. Corporate proposals**

There was no corporate proposal during the current quarter.

**23. Borrowings and debt securities**

There were no borrowings as at the end of the 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 recommended for approval of shareholders a single tier final dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2017.

The proposed payable date is 13 June 2018 in respect of deposited securities as at 30 May 2018.



**ECS ICT BERHAD**  
(351038-H)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017**

**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 Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Profit attributable to equity holders of the Company (RM'000)	11,550	12,577	26,268	30,142
Weighted average number of ordinary shares in issue ('000)	180,000	180,000	180,000	180,000
Basic earnings per share (sen)	6.4	7.0	14.6	16.7
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

Diluted EPS is not applicable as there were no 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 2016.

**By order of the Board**

**Chua Siew Chuan**  
**Cheng Chia Ping**  
Company Secretaries

28 February 2018  
Selangor