

Press Release

For Immediate Distribution

ECS kicks off FY2017 with revenue growth to RM460 million for first quarter

KUALA LUMPUR, 18th MAY 2017 – ECS ICT Berhad (ECS, 佳杰科技; Bloomberg: ECS MK; Reuters: ECSI.KL) (“**ECS**” or the “**Group**”), Malaysia’s leading Information & Communications Technology (“**ICT**”) distributor, today announced its financial results for the first quarter ended 31 March 2017 (“**Q1FY17**”), posting a 5.8% increase in revenue of RM460.1 million, as compared to RM434.7 million recorded in the preceding year’s corresponding quarter (“**Q1FY16**”), mainly due to sales contribution from the Group’s ICT Distribution segment. Meanwhile, the Group’s Profit Before Tax (“**PBT**”) registered a 6.2% decrease at RM6.6 million for Q1FY17 as compared to RM7.0 million posted for Q1FY16. This decline in PBT is primarily due to lower gross profit (“**GP**”) margin from its ICT Distribution segment.

ECS’ ICT distribution segment recorded total sales of RM377.3 million for Q1FY17, an increase of 11.6%, as compared to RM338.0 million in Q1FY16, attributed by higher sales of notebooks and smartphones. The Group’s Enterprise Systems segment and ICT Services segment, however, registered reduced revenue at RM74.7 million and RM8.1 million respectively for the quarter under review as compared to RM88.0 million and RM8.7 million recorded correspondingly in Q1FY16. The 15.2% decline in revenue for the Enterprise Systems segment in Q1FY17 is resulted from lower sales of servers, networking equipment and software.

Chief Executive Officer of ECS, Mr. Soong Jan Hsung expressed, “The market sentiment for both consumer and commercial sectors were cautious for the first quarter of the financial year following the slowdown last year. Nevertheless, we have managed to deliver a growth in revenue.”

Financial Summary (Unaudited Consolidated Results)						
RM'000	1Q17	1Q16	Change	3M17	3M16	Change
	31.03.17	31.03.16		31.03.17	31.03.16	
Revenue	460,088	434,715	5.8%	460,088	434,715	5.8%
Profit Before Tax ("PBT")	6,550	6,984	-6.2%	6,550	6,984	-6.2%
Profit After Tax ("PAT")	4,821	5,122	-5.9%	4,821	5,122	-5.9%
Basic EPS (sen)*	2.7	2.8	-3.6%	2.7	2.8	-3.6%
<i>*Based on 180 million shares of RM0.50 par value each</i>						

Mr. Soong added, "Looking ahead, we expect 2017 to be another challenging year as both consumer and commercial sectors remain rather cautious with its ICT spending. While sales for PCs and notebooks have increased, sales for mobility products have been flat due to a significant decline in demand for tablets. Yet, the growth of smartphones, particularly with the addition of new brands like Alcatel and Moto by Lenovo, will continue among consumers. In view of several recent reports by economists and research houses that forecasted better GDP growth rate for 2017, we expect consumer spending and ICT expenditure on Enterprise Systems to recover and consequently, improve our performance for the remainder of FY17."

ABOUT ECS ICT BERHAD

ECS ICT Berhad, an MSC-status company ("ECS" or "the Group"), is a leading distribution hub for Information & Communications Technology (ICT) products in Malaysia. Listed on the Main Market of Bursa Malaysia Securities Berhad on 15 April 2010, the Group is an associate company of ECS Holdings Limited which is one of the leading ICT distributors in the Asia Pacific, with access to a network of more than 25,000 channel partners across China, Thailand, Malaysia, Singapore, Indonesia, the Philippines, Cambodia and Myanmar.

ECS distributes a comprehensive range of ICT products comprising notebooks, personal computers, smartphones, smartwatches, tablets, printers, software, network and communication infrastructure, servers, and enterprise software with over 40 leading principals. With a nationwide channel network of more than 6,100 resellers comprising retailers, system integrators and corporate dealers, ECS also provides value-added product support and technical services. For more information, please visit www.ecsm.com.my

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