

Press Release

For Immediate Distribution

ECS reports higher net profit with RM436.9 million revenue for Q3FY16

Leading ICT Distributor declares a single tier interim dividend of 3 sen per ordinary share.

KUALA LUMPUR, 3RD NOVEMBER 2016 – ECS ICT Berhad (ECS, 佳杰科技; Bloomberg: ECS MK; Reuters: ECSI.KL) (“**ECS**” or the “**Group**”), the leading Information & Communications Technology (“**ICT**”) distributor in Malaysia, announced its financial results for the third quarter ended 30 September 2016 (“**Q3FY16**”), posting a revenue of RM436.9 million as compared to RM465.1 million recorded in the preceding year’s corresponding quarter (“**Q3FY15**”). Despite the lower revenue, the Group recorded a 28.5% increase in Profit Before Tax (“**PBT**”) of RM8.3 million for the quarter under review as compared to RM6.5 million in Q3FY15, mainly due to higher contribution by the Enterprise Systems division.

The Group’s ICT Distribution segment recorded an 8.7% decline in revenue, posting RM326.7 million for the quarter under review as compared to RM358.0 million in the preceding year’s corresponding quarter due to lower sales of PCs and mobility products, namely tablets and smartphones. The Group’s Enterprise Systems segment, however, recorded RM97.4 million in revenue for Q3FY16, an increase of 3.5%, as compared to RM94.1 million recorded in Q3FY15, due to higher sales of networking equipment. ECS’ ICT Services segment meanwhile recorded a revenue of RM12.8 million in Q3FY16 as compared to RM13.0 million in Q3FY15.

Concurrently, ECS recorded RM23.7 million in PBT for the cumulative nine-month period of FY16 (“**9MFY16**”), a 20.8% decline, as compared to RM29.9 million recorded in the preceding year’s corresponding period (“**9MFY15**”). This was mainly attributed to the Group’s exceptional performance in the first half of FY15 with the implementation of the Goods and Services Tax (“**GST**”) on 1st April 2015.

Financial Summary (Unaudited Consolidated Results)						
RM'000	3Q16 30.09.16	3Q15 30.09.15	Change	9M16 30.09.16	9M15 30.09.15	Change
Revenue	436,908	465,105	-6.1%	1,271,804	1,406,750	-9.6%
Profit before tax	8,341	6,493	28.5%	23,652	29,869	-20.8%
Profit for the period	6,146	4,755	29.3%	17,565	22,145	-20.7%
Basic EPS (sen) *	3.4	2.6	30.8%	9.8	12.3	-20.3%
<i>*Based on 180 million shares of RM0.50 par value each</i>						

In line with its dividend policy, ECS is declaring a single tier interim dividend of 3 sen per ordinary share amounting to RM5.4 million, payable to shareholders on 14 December 2016.

Soong Jan Hsung, the Chief Executive Officer (“CEO”) of ECS shared, “The industry outlook remains challenging for the rest of FY16 under the current economic environment, as weak market sentiments continue to dampen consumer spending on ICT products. The Enterprise Systems market is also expected to remain sluggish with both the private and public sector postponing their technology refresh schedules. Nevertheless, the recent new product launches of smartphones and drones have generated strong market demand to increase our revenue in the coming months.”

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 a MSC status company and 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 from close to 40 leading principals. With a nationwide channel network of more than 5,500 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

Issued by: Esente (M) Communications Sdn. Bhd. on behalf of **ECS ICT Berhad**

Date: 03 November 2016

For general enquiries, please contact:

Caren Lwee

Tel: +603 6286 8201 / +6012 626 6855

E-Mail: carenlwee@ecsm.com.my

For media enquiries, please contact:

Tgin Wong

Tel: +603 6201 4110 / + 6016 297 3247

E-Mail: tginwong@esente.com.my
