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Press Release

For Immediate Distribution

ECS Records Steady Revenue Growth to RM551.6 Million in Q4FY16 for Both ICT Distribution and Enterprise Systems

The Group declares final dividend of 3.0 sen per ordinary share for FY16.

KUALA LUMPUR, 15TH FEBRUARY 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, announced its financial results for the fourth quarter ended 31 December 2016 (“**Q4FY16**”), posting a revenue of RM551.6 million, an 11.1% increase as compared to revenue recorded for the preceding year’s corresponding quarter (“**Q4FY15**”) of RM496.5 million. This is mainly due to contribution of higher sales from the Group’s ICT Distribution segment from PCs, notebooks and smartphones of RM431.0 million in Q4FY16 as compared to RM379.7 million in Q4FY15.

The revenue recorded for ECS’ Enterprise Systems segment increased by 6.8% from RM105.4 million in Q4FY15 to RM112.6 million in Q4FY16, due to higher sales of networking equipment. The Group’s ICT Services segment, however, posted a lower revenue of RM8.0 million for the quarter under review as compared to RM11.5 million for the preceding year’s corresponding quarter.

ECS registered higher Profit Before Tax (“**PBT**”) of RM16.7 million for the quarter under review, an increase of 21.6% as compared to RM13.7 million recorded in Q4FY15. The Group’s Enterprise Systems and ICT Services segments marked an increment in PBT of 32.3% and 26.9% respectively in Q4FY16 as compared to Q4FY15. Meanwhile, PBT for ECS’ ICT Distribution segment was improved by 6.7% for the quarter under review.

On a full-year financial review basis, ECS registered total revenue and PBT of RM1.8 billion and RM40.4 million respectively for the financial year ended 31 December 2016 (“**FY16**”) as compared to RM1.9 billion and RM43.6 million recorded in the preceding financial year (“**FY15**”). The higher PBT in FY15 was mainly due to higher pre-GST sales.

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q16 31.12.16	4Q15 31.12.15	Change	FY16 31.12.16	FY15 31.12.15	Change
Revenue	551.6	496.5	11.1%	1,823.4	1,903.3	-4.2%
Profit Before Tax ("PBT")	16.7	13.7	21.6%	40.4	43.6	-7.4%
Profit After Tax ("PAT")	12.6	10.3	21.6%	30.1	32.5	-7.2%
Basic EPS (sen)*	7.0	5.7	22.8%	16.7	18.0	-7.2%
<i>*Based on 180 million shares of RM0.50 par value each</i>						

Chief Executive Officer of ECS, Mr. Soong Jan Hsung shared, "While the overall revenue was slightly lower in FY16 as compared to FY15, due to the exceptional pre-GST sales in FY15 and cautious consumer spending in this year's slow market, our Q4FY16 performance saw improvement attributed to increased sales of mobility devices and enterprise system spending."

During 2016, the Group has paid a single tier final dividend of 3.0 sen per share amounting to RM5.4 million in respect of FY15 on 15 June 2016, and a single tier interim dividend of 3.0 sen per share amounting to RM5.4 million in respect of FY16, paid on 14 December 2016. In line with its dividend pay-out practice, ECS is declaring a single tier final dividend of 3.0 sen per ordinary share for FY16, amounting to RM5.4 million, and payable to shareholders on 15 June 2017.

Mr. Soong added, "The outlook for ECS looking ahead remains challenging due to the current soft economic environment. The weak Ringgit against the US Dollar has resulted in price increase on all ICT products, in addition to corporate users reducing their ICT spending. Nevertheless, the International Data Corporation (IDC) has forecasted a 6.2% growth on the ICT products that the Group is distributing in Malaysia for 2017. Therefore, we remain optimistic given our strategies in place to first, grow our market share on PC, notebooks and smartphones while exploring new opportunities on Internet of Things ("IoT") as well as investing in the latest technology trends to focus on Hyper-Converged Infrastructure and Cyber Security products for our Enterprise Systems segment."

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

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