

Press Release

For Immediate Distribution

ECS POSTS HIGHER REVENUE OF RM446.2 MILLION FOR Q3FY17

ECS declares a single tier interim dividend of 2.5 sen per ordinary share.

KUALA LUMPUR, 2ND NOVEMBER 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 third quarter ended 30 September 2017, posting higher revenue of RM446.2 million as compared to RM436.9 million recorded in the preceding year’s corresponding quarter (“**Q3FY16**”). The 2.1% increase in revenue was mainly attributed to higher sales from the Group’s ICT Distribution segment. On the other hand, due to lower Gross Profit (“**GP**”) as a result of the product mix and higher administrative expenses in Q3FY17, Profit Before Tax (“**PBT**”) registered a 13.5% decline to RM7.2 million as compared to RM8.3 million for Q3FY16.

| Financial Summary (Unaudited Consolidated Results) | | | | | | |
|--|--------------------|--------------------|---------------|--------------------|--------------------|---------------|
| RM'000 | Q3FY17 30.09.17 | Q3FY16 30.09.16 | Change (%) | 9MFY17 30.09.17 | 9MFY16 30.09.16 | Change (%) |
| Revenue | 446,160 | 436,908 | 2.1 | 1,353,807 | 1,271,804 | 6.4 |
| Gross Profit (“ GP ”) | 21,075 | 21,697 | (2.9) | 61,068 | 64,645 | (5.5) |
| Profit Before Tax (“ PBT ”) | 7,212 | 8,341 | (13.5) | 20,468 | 23,652 | (13.5) |
| Profit After Tax (“ PAT ”) | 4,887 | 6,146 | (20.5) | 14,718 | 17,565 | (16.2) |
| Basic EPS (sen)* | 2.7 | 3.4 | (20.6) | 8.2 | 9.8 | (16.3) |

**Based on 180 million shares of RM0.50 par value each*

On a segmental basis review, the Group’s ICT Distribution segment recorded RM343.3 million in revenue in Q3FY17 as compared to RM326.7 million for Q3FY16, mainly due to higher sales of mobility products. The Group’s Enterprise Systems segment, however, recorded RM95.0 million in revenue, from RM97.4 million for Q3FY16, as a result of lower sales for networking equipment and software. ECS’ ICT Services segment, meanwhile, registered lower revenue of RM7.9 million in Q3FY17 as compared to RM12.8 million for Q3FY16.

Concurrently, ECS maintained its steady performance in revenue, recording an increase of 6.4% at RM1.35 billion for the cumulative nine-month period of FY17 (“9MFY17”) as compared to RM1.27 billion for the preceding year’s corresponding period (“9MFY16”), mainly due to higher sales of mobility products by the Group’s ICT Distribution segment. PBT for 9MFY17, however, registered a 13.5% decline at RM20.5 million as compared to RM23.7 million recorded for 9MFY16.

In line with its dividend practice, ECS is declaring a single tier interim dividend of 2.5 sen per ordinary share amounting to RM4.5 million, payable to shareholders on 14 December 2017.

Chief Executive Officer of ECS, Mr. Soong Jan Hsung added, “Despite the current challenging market conditions, the business outlook is better for Q4FY17, attributable to higher consumer spending in the coming festive season as well as year-end budget spending by public sectors for Enterprise Systems. In addition, the Digital Free Trade Zone (“DFTZ”) initiatives tabled at Budget 2018 will spur the growth of e-Commerce for online sales of ICT consumer products. With our Business-to-Business (“B2B”) platform already established for supplying to retailers as well as the e-Commerce players selling to consumers via Business-to-Consumer (“B2C”) platform, we have recently commenced our B2C brand stores by partnering with our principals and e-Commerce players.”

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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For general enquiries, please contact:

Karen Ng

Tel: +603 6286 8201

E-Mail: karenng@ecsm.com.my

For media enquiries, please contact:

Tan Hoay Ming

Tel: +603 6201 4110 / +6016 512 0051

E-Mail: hoayming@esente.com.my
