

Press Release

For Immediate Distribution

ECS Reports Higher Revenue of RM1.86 Billion for FY17

The leading ICT distributor declares a final dividend of 2.5 sen per ordinary share for FY17.

KUALA LUMPUR, 28 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 2017 (“**Q4FY17**”), posting lower revenue of RM501.2 million as compared to RM551.6 million recorded in the preceding year’s corresponding quarter (“**Q4FY16**”). The decrease of 9.1% in revenue was mainly due to lower sales from the Group’s ICT Distribution segment, which decreased from RM431.0 million in Q4FY16 to RM363.4 million in Q4FY17.

The revenue recorded for ECS’ Enterprise Systems segment increased by 12.5% from RM112.6 million in Q4FY16 to RM126.7 million in Q4FY17, due to higher sales of networking equipment. The Group’s ICT Services segment also posted higher revenue of RM11.2 million for Q4FY17, an increase of 39.8%, as compared to RM8.0 million Q4FY16.

With overall lower sales from the Group’s ICT Distribution segment in Q4FY17, gross profit (“**GP**”) decreased by 5.6% to RM26.4 million as compared to RM28.0 million for Q4FY16. Subsequently, ECS registered lower Profit Before Tax (“**PBT**”) of RM15.2 million for Q4FY17, a decline of 9.2% as compared to RM16.7 million recorded in Q4FY16, which had a reversal of impairment on trade receivables of RM3.2 million.

Financial Summary (Unaudited Consolidated Results)						
(RM’ million)	Q4FY17 31.12.17	Q4FY16 31.12.16	Change (%)	FY17 31.12.17	FY16 31.12.16	Change (%)
Revenue	501.2	551.6	-9.1	1,855.0	1,823.4	1.7
Gross Profit (“ GP ”)	26.4	28.0	-5.6	87.5	92.6	-5.5
Profit Before Tax (“ PBT ”)	15.2	16.7	-9.2	35.6	40.4	-11.7
Profit After Tax (“ PAT ”)	11.6	12.6	-8.2	26.3	30.1	-12.9
Basic EPS (sen)*	6.4	7.0	-8.6	14.6	16.7	-12.6
*Based on 180 million shares						

On a full-year financial review basis, ECS registered total revenue and PBT of RM1,855.0 million and RM35.6 million respectively for the financial year ended 31 December 2017 (“FY17”) as compared to RM1,823.4 million and RM40.4 million recorded in the preceding financial year (“FY16”). The increase of 1.7% in revenue for FY17 was mainly contributed by higher sales from the Group’s ICT Distribution segment, attributed to mobility devices and drones.

Chief Executive Officer of ECS, Mr. Soong Jan Hsung expressed, “The ICT market remained tough for FY17, due to lower consumer spending as well as lower corporate sector expenditure on ICT projects. Despite challenging market conditions, we have managed to grow our revenue slightly to maintain our market position as the leading ICT distributor in Malaysia.”

During 2017, the Group has paid a single tier final dividend of 3.0 sen per share amounting to RM5.4 million in respect of FY16 on 15 June 2017, and a single tier interim dividend of 2.5 sen per share amounting to RM4.5 million in respect of FY17, paid on 14 December 2017. In line with its dividend pay-out practice, ECS is declaring a single tier final dividend of 2.5 sen per ordinary share for FY17, amounting to RM4.5 million, and payable to shareholders on 13 June 2018.

Mr. Soong said, “The Group is expecting a challenging year ahead notwithstanding the strengthening of Ringgit and improving market sentiment. Going forward, we are cautiously optimistic of our prospects for FY18 as we remain focus on our business strategy to maintain our market share. We will be concentrating on two key areas, namely e-Commerce and the digital gaming market. We believe that we are well-positioned to capitalise on the rise of e-Commerce. We will be preparing for more online branded stores to be launched across various platforms in addition to online marketing activities for our e-Commerce branding.”

“From the digital gaming perspective, Malaysia has plans to host several upcoming e-Sports events such as the Malaysia Cyber Games 2018 as well as prepare for the 2022 Asian Games to boost the presence of e-Sports in Malaysia. Tapping on the lucrative gaming market, ECS, being the first in SouthEast Asia to offer THUNDEROBOT gaming computers, will ride along the e-Sports wave to enhance the market position of our Group,” **Mr. Soong** added.

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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