

ECS posts RM5.1 million net profit on RM434.7 million revenue in 1Q16

- *Slower sales in 1Q16 on dampened market sentiment due to economic uncertainty*

Kuala Lumpur, Malaysia, 5 May 2016 - Malaysia's leading ICT distributor ECS ICT Berhad (ECS, 佳杰科技; Bloomberg: ECS MK; Reuters: ECSI.KL) posted RM5.1 million net profit on RM434.7 million revenue for its first quarter ended 31 March 2016 (1Q16).

In comparison, the Group recorded net profit of RM9.4 million on revenue of RM522.9 million in the previous corresponding quarter, on account of exceptional sales prior to the implementation of the Goods and Services Tax on 1 April 2015.

The lower 1Q16 sales year-on-year was also impacted by the dampened consumer and corporate sentiment on account of the uncertainty surrounding the local economy.

“While mindful of the challenging economic outlook in 2016, we will continue to adapt our product portfolio in line with evolving trends. We are redefining the scope of our ICT distribution to move beyond traditional products like personal computers (PCs) and notebooks into smart technologies for all.

In addition to expanding our product range, our sales team is also working hard to expand our distribution channel nationwide to enhance our last mile access to end-users. This includes establishing dedicated teams to reach the commercial sector for drones, and also engaging with e-commerce retailers and lifestyle stores for the new products.

We believe that an enhanced reseller network and new product distributorships would catalyse our prospects going forward.”

Mr. Soong Jan Hsung (宋昭雄)
Chief Executive Officer, ECS ICT Berhad

Of the total group revenue of RM434.7 million in 1Q16, the ICT Distribution segment contributed RM338.0 million, 9.3% lower than RM372.8 million in the previous year on lower sales of PCs and notebooks.

Meanwhile, revenue from the Enterprise Systems in 1Q16 was at RM88.0 million versus RM137.1 million previously due to slower sales of servers and software. The ICT Services segment noted sales of RM8.7 million in 1Q16, against RM12.9 million a year ago.

ECS had recently broadened its product range with smartwatches and drones.



In January 2016, ECS had secured distributorships of four smartwatches namely Motorola Moto 360, Apple Watch, ASUS ZenWatch 2, and Huawei Watch. In April 2016, ECS became the first ICT distributor in Malaysia for the Phantom drones and the Osmo camera produced by DJI, the world leader in unmanned aerial vehicle technology.

“We aim to replicate the success of our ICT distribution business into the smartwatch and drone channels as well,” Soong concluded.

Financial Summary (Unaudited Consolidated Results)			
	1Q16	1Q15	
RM'000	31.03.16	31.03.15	Change
Revenue	434,715	522,855	-16.9%
Pre-tax Profit	6,984	12,709	-45.0%
Net profit to shareholders	5,122	9,389	-45.4%
Basic EPS (sen)*	2.8	5.2	-46.2%

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

About ECS ICT Berhad

ECS ICT Berhad (ECS), an MSC-status company, and its group of subsidiaries started in 1985 with the establishment of ECS KU Sdn Bhd. Today, the Group is a leading distribution hub for Information & Communications Technology (ICT) products in Malaysia via ECS ASTAR Sdn. Bhd. and ECS PERICOMP Sdn. Bhd.

Listed on the Main Market of Bursa Malaysia Securities Berhad on 15 April 2010, ECS is an associate company of ECS Holdings Limited which is one of the leading ICT distributors in Asia Pacific, accessing 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, tablets, wearables, printers, software, network and communication infrastructure, servers, and enterprise software from more than 30 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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