

Press Release

For Immediate Distribution

ECS posts revenue of RM358.2 million and Profit After Tax of RM4.3 million for Q2FY18

KUALA LUMPUR, 8 AUG 2018 – 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 second quarter ended 30 June 2018 (“**Q2FY18**”), posting lower revenue of RM358.2 million, a decrease of 19.2% as compared to RM443.5 million for the preceding year’s corresponding quarter (“**Q2FY17**”). The decline in revenue for Q2FY18 was mainly due to lower contribution from the Group’s ICT Distribution segment.

The revenue recorded for ECS’ Enterprise Systems increased by 8.8% from RM86.7 million in Q2FY17 to RM94.3 million in Q2FY18, due to higher sales of servers, storage and networking. The Group’s ICT Services segment also posted higher revenue of RM10.3 million for Q2FY18, an increase of 20.1%, as compared to RM8.6 million for Q2FY17.

The Group’s gross profit (“**GP**”) for the quarter under review stood at RM18.2 million, noting a 9.3% decrease as compared to the preceding year’s corresponding quarter. ECS registered lower Profit Before Tax (“**PBT**”) and Profit After Tax (“**PAT**”) of RM5.7 million and RM4.3 million respectively for Q2FY18, a decline of 14.9% and 14.7% as compared to RM6.7 million and RM5.0 million recorded correspondingly in Q2FY17.

Financial Summary (Unaudited Consolidated Results)						
(RM’ 000)	Q2FY18	Q2FY17	Change	1HFY18	1HFY17	Change
	30.06.18	30.06.17	(%)	30.06.18	30.06.17	(%)
Revenue	358,213	443,472	-19.2	750,008	900,259	-16.7
GP	18,182	20,048	-9.3	38,148	39,993	-4.6
PBT	5,709	6,706	-14.9	11,558	13,256	-12.8
PAT	4,274	5,010	-14.7	8,655	9,831	-12.0
Basic EPS (sen)*	2.4	2.8	-14.7	4.8	5.5	-12.7

*Based on 180 million shares

Chief Executive Officer of ECS, Mr. Soong Jan Hsung expressed, “The Group’s revenue for first half of financial year 2018 (“**1HFY18**”) posted at RM750.0 million, decreased of 16.7% as compared to RM900.3 million for the first half of the preceding year (“**1HFY17**”) mainly due to consumers remained cautious with their spending before the 14th General Election and the transitional period of Goods and Services Tax (GST) from 6% to 0%, which resulted in lower sales from the ICT Distribution segment for the quarter under review. In addition, Enterprise Systems posted a higher sales and GP improvement, a 21.7% and 36.6% increase respectively for the 1HFY18 as compared to the preceding year as the increase was mainly attributed to in our enterprise sales of networking, server and storage products.”

Mr. Soong shared, “The ICT spending of both the consumer and commercial sectors is still rather cautious this year. Public sectors and GLC’s projects were deferred, hence we shall continue to grow our private sector revenue to cover the shortfall of business from the public sector. The outlook for the second half of FY2018 remains to be challenging, but we expect improvement in the fourth quarter with higher sales of consumer ICT products and corporate spending on ICT equipment from the private sector’s year end budget.”

“We are also making good progress on the sales of gaming notebooks with the growth in tandem with the eSports market in Malaysia. We plan to have more gaming related products and peripherals in the second half of 2018 to boost sales of consumer ICT products.” **Mr. Soong** further 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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