

## **Press Release**

### **For Immediate Distribution**

## **ECS posts revenue of RM436.2 million recording RM10.2 million of Profit Before Tax for Q3FY18, an increase of 41.7% y-o-y**

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**KUALA LUMPUR, 8 NOVEMBER 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 a slight drop of 1.0% in revenue for the third quarter ended 30 September 2018 (“**Q3FY18**”) to RM436.2 million, as compared to RM440.8 million in the preceding year’s corresponding quarter (“**Q3FY17**”). The lower revenue was due to slower market conditions and the uncertainties surrounding the change in government, as well as the transitional period of replacing the Goods & Services Tax with Sales & Service Tax (“**SST**”).

The Group’s gross profit (“**GP**”) for the quarter under review increased by 14.4% to RM24.1 million, as compared with RM21.1 million last year. In addition, ECS posted a 41.7% increase in profit before tax to RM10.2 million for Q3FY18, as compared with RM7.2 million last year. The increased PBT was due to a high gross profit margin of 5.5% from the product mix, compared with 4.8% last year. Subsequently, the Group posted a 56.9% higher profit after tax (“**PAT**”) of RM7.7 million, as compared to RM4.9 million recorded for Q3FY17.

During the quarter, the Group reported improvement for both Enterprise System segment and ICT Services. Both recorded improvement of 27.7% at RM120.9 million and 15.0% at RM9.1 million as compared with RM94.7 million and RM7.9 million recorded last year respectively. The increased of Enterprise System segment was mainly due to higher sales mainly from servers, storage and software. Revenue from ICT distribution, however, fell 9.5% to RM306.2 million as compared to RM338.2 million recorded for Q3FY17 with lower sales of notebooks, smartphones and tablets.

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 19 December 2018.

<b>Financial Summary (Unaudited Consolidated Results)</b>						
<b>(RM' 000)</b>	<b>Q3FY18</b>	<b>Q3FY17</b>	<b>Change</b>	<b>9MFY18</b>	<b>9MFY17</b>	<b>Change</b>
	<b>30.09.18</b>	<b>30.09.17</b>	<b>(%)</b>	<b>30.09.18</b>	<b>30.09.17</b>	<b>(%)</b>
Revenue	436,211	440,805	(1.0)	1,186,219	1,341,064	(11.5)
GP	24,111	21,075	14.4	62,259	61,068	2.0
PBT	10,218	7,212	41.7	21,776	20,468	6.4
PAT	7,666	4,887	56.9	16,321	14,718	10.9
Basic EPS (sen)*	4.3	2.7	59.3	9.1	8.2	11.0
<i>*Based on 180 million shares</i>						

“The economic uncertainties across the region as well as Malaysia have dampened the overall market sentiment. The reintroduction of the SST in September 2018 has also impacted many ICT products and services,” said **Chief Executive Officer of ECS, Mr. Soong Jan Hsung**.

“The consumer spending remains weak and there are not many public sector and Government Linked Companies projects, but we are putting in extra effort to build up our commercial enterprise business to cover the shortfall of other business segments. The business outlook for last quarter of 2018 remains challenging but we strive to maintain the momentum from our Q3FY18 performance,” **Mr. Soong** added.

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#### **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](http://www.ecsm.com.my)

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