ECS ICT BERHAD (351038-H)
Lot 3, Jalan Teknologi 3/5, Taman Sains Selangor, Kota Damansara
47810 Petaling Jaya, Selangor, Malaysia
Tel: 03-6286 8222 Fax: 03-6140 0030 Website: www.ecsm.com.my

PRESS RELEASE

ECS sets new revenue record of RM1.6 billion in FY2014

- ***Net profit rises 9.5% to RM29.4 million, boosted by strong smartphone sales***
- ***Proposes final single tier dividend of 3.0 sen per share in respect of FY2014 for shareholders' approval***

Kuala Lumpur, Malaysia, 11 February 2015 – Malaysia's leading ICT distributor **ECS ICT Berhad** (**ECS**, 佳杰科技; `Bloomberg: ECS:MK; Reuters: ECSI.KL`) set a new record in group revenue of RM1.6 billion for its full year ended 31 December 2014 (FY2014), jumping 20.0% from RM1.3 billion previously, boosted by strong smartphone sales.

On the back of the strong topline, ECS posted a commendable 9.5% rise in net profit to RM29.4 million from RM26.9 million previously.

Mr. Soong Jan Hsung, ECS' Chief Executive Officer opined that the Group's positive performance in FY2014 was a result of the Group entering the smartphone distribution channel since 2013 as part of its strategy to strengthen the mobility products segment.

"As at end-December 2014, we distributed the range of smartphones from established ICT brands such as Lenovo, ASUS and BenQ.

We believe that our successful venture in the smartphone space is attributable to strong consumer demand for the affordable devices, as well as our expansion into the smartphone channel by distributing to phone resellers, in addition to our IT resellers.

Moving forward, we will continue to grow our portfolio in the smartphone distribution segment and are optimistic that it will be a significant driver of the Group's performance in 2015."

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

The International Data Corporation predicts for smartphone sales in Malaysia to grow by 8.0% to US$2.4 billion in 2015 from US$2.2 billion in 2014.

ECS' revenue from the ICT Distribution segment rose 32.1% to RM1.1 billion in FY2014 from RM842.1 million previously.

Apart from high-volume products targeted at consumers in the ICT Distribution segment, ECS also distributes Enterprise Systems products for the public and private sectors.

The Enterprise Systems revenue contribution declined to RM427.6 million in FY2014 versus RM469.5 million previously, due mainly to reclassification of extended warranties from Enterprise Systems to ICT Services as well as fewer project implementations. As a result of the reclassification, revenue from ICT Services segment grew to RM51.2 million in 2014 as compared to RM14.6 million in the previous year.

Even though the Group incurred higher operating costs from the expansion into new business, profit before tax (PBT) rose 7.2% to RM39.2 million from RM36.6 million previously. Basic earnings per share for FY2014 was at 16.4 sen, 10.1% higher than 14.9 sen posted in the previous year.

Soong added that the 6% Goods and Services Tax (GST) would likely result in brisk sales of ICT products especially closer to the implementation on 1 April 2015.

"Generally, consumer spending on ICT products is expected to accelerate prior to the GST coming into effect, and thereafter resume normalcy within three to six months. That said, we foresee sturdy industry growth in the current year, given the constant technology upgrades and device replacement opportunities," said Soong.

"ECS intends to focus on growing our product portfolio to provide consumers with the latest ICT products available," he concluded.

For the three months ended 31 December 2014 (4Q14), the Group posted revenue of RM451.5 million, a 25.0% increase from RM361.3 million in the previous corresponding quarter.

The ICT Distribution segment grew to RM320.3 million in 4Q14, from RM230.9 million previously. While the Enterprise Systems and ICT Services segment posted revenue of RM116.1 million and RM15.1 million respectively in the quarter under review.

ECS' PBT was sustained at RM13.1 million in 4Q14, while net profit for the quarter under review was at RM9.9 million. Basic earnings per share amounted to 5.5 sen in 4Q14, growing slightly from 5.4 sen previously.

ECS ICT BERHAD (351038-H)
Lot 3, Jalan Teknologi 3/5, Taman Sains Selangor, Kota Damansara
47810 Petaling Jaya, Selangor, Malaysia
Tel: 03-6286 8222 Fax: 03-6140 0030 Website: www.ecsm.com.my

ECS proposed a final single tier dividend of 3.0 sen per share in respect of FY2014, subject to shareholders' approval at the upcoming Annual General Meeting.

Together with the first single interim dividend paid on 11 December 2014, the Group has declared total dividends of 6.0 sen per share in respect of FY2014, which translates to a dividend payout of RM10.8 million or 36.7% of FY2014 net profit.

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q14 31.12.14	4Q13 31.12.13	Change	FY14 31.12.14	FY13 31.12.13	Change
Revenue	451,471	361,276	25.0%	1,591,117	1,326,266	20.0%
Pre-tax Profit	13,093	13,069	0.2%	39,202	36,582	7.2%
Net profit to shareholders	9,850	9,728	1.3%	29,432	26,888	9.5%
Basic EPS (sen)*	5.5	5.4	1.9%	16.4	14.9	10.1%
**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, a Singapore Exchange main board company which is one of the leading ICT distributors in Asia Pacific, accessing to a network of more than 23,000 channel partners across China, Thailand, Malaysia, Singapore, Indonesia and the Philippines.

ECS distributes a comprehensive range of ICT products comprising notebooks, personal computers, smartphones, tablets, printers, software, network and communication infrastructure, servers, and enterprise software from more than 30 leading principals.

With a nationwide channel network of more than 4,000 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

Issued for and on behalf of ECS ICT BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd.
For media enquiries, please contact:

Ms. Julia Pong julia@aquilas.com.my **Tel: +603 2711 1391 / +6012-390 9258**
Ms. Caren Lwee carenlwee@ecsm.com.my **Tel: +603 6286 8222 /+6012-626 6855**