

ECS maintains growth momentum in 2Q15

- *Higher sales of smartphones and tablets propel 7.4% rise in group revenue; net profit increases 6.5% year-on-year to RM8.0 million*
- *Group secures distribution rights for ASUS ZenFone 2*

Kuala Lumpur, Malaysia, 5 August 2015 – Malaysia's leading ICT distributor **ECS ICT Berhad (ECS, 佳杰科技; Bloomberg: ECS:MK; Reuters: ECSI.KL)** maintained its growth momentum in its second quarter ended 30 June 2015 (2Q15) with net profit increasing 6.5% to RM8.0 million, from RM7.5 million in the previous year corresponding quarter.

Group revenue jumped 7.4% to RM418.8 million in 2Q15 from RM389.9 million in the previous year, propelled by higher sales of smartphones and tablets from the ICT Distribution segment. This led to ICT Distribution revenue growing by 21.5% to RM318.3 million in 2Q15 as compared to RM262.0 million a year ago.

Revenue from the Enterprise Systems segment in 2Q15 was lower at RM89.7 million versus RM117.5 million previously, while the ICT Services segment increased marginally to RM10.8 million from RM10.5 million in 2Q14.

“2Q15 was largely expected to be eclipsed by pre-GST spending in the first quarter of the year, but our solid performance indicates that the ICT sector remains rather resilient. Additionally, it shows ECS benefiting from a diverse product mix, which then allows us to cater to a wider customer base.

In this respect, ECS recently secured distribution rights for the ASUS ZenFone 2 range of smartphones, thus reinforcing our position as an effective last-mile distributor for smartphones.”

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

The ASUS ZenFone 2 range is being distributed through ECS' IT and phone channels nationwide.

For the cumulative six months ended 30 June 2015 (1H15), group revenue leaped 25.9% to RM941.6 million from RM747.6 million in 1H14. This was spurred by growth in all three of the Group's business segments.

Revenue from ICT Distribution in 1H15 was at RM691.1 million, 34.6% higher than RM513.6 million posted previously. The Enterprise Systems and ICT Services segments grew 6.5% and 12.8% respectively to RM226.8 million and RM23.7 million in the six months under review.

The stronger topline led to an even better bottomline, as ECS' 1H15 net profit increased by 41.4% to RM17.4 million versus RM12.3 million in the previous year. Basic earnings per share was 9.7 sen in 1H15, as compared to 6.8 sen in 1H14.

Notwithstanding ECS' 1H15 performance, Soong recognised that the prospects of the overall ICT sector remained challenging, with various products vying for the same consumer dollar.

“Even so, with communications products already entrenched as a vital component to consumers as well as corporate users, we are hopeful that the upcoming launches of new products in the second half of 2015, such as ‘Windows 10’ compatible devices, would spur ICT spending in the next six months.”

“Going forward, we are looking to strengthen our mobility products portfolio, alongside our established ICT and Enterprise products,” Soong concluded.

Financial Summary (Unaudited Consolidated Results)						
	2Q15	2Q14		1H15	1H14	
RM'000	30.06.15	30.06.14	Change	30.06.15	30.06.14	Change
Revenue	418,790	389,916	7.4%	941,645	747,635	25.9%
Pre-tax Profit	10,667	10,324	3.3%	23,376	17,000	37.5%
Net profit to shareholders	8,001	7,515	6.5%	17,390	12,300	41.4%
Basic EPS (sen)*	4.4	4.2	4.8%	9.7	6.8	42.6%
*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, printers, software, network and communication infrastructure, servers, and enterprise software from more than 30 leading principals like Hewlett Packard, Lenovo, Asus, Dell, Oracle, Microsoft, Cisco, Apple, IBM and VMWare

With a nationwide channel network of more than 5,000 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.
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