

Higher profits for ECS

- *15.6% increase in net profits boosted by higher sales of enterprise systems*
- *Proposes final tax exempt dividend of 4.0 sen per share, bringing total FY2010 dividend to 8.0 sen per share*

Kuala Lumpur, Malaysia, 17 February 2011 – Malaysia’s leading Information & Communications Technology (“ICT”) distributor **ECS ICT Berhad** (“ECS”, “佳杰科技”; Bloomberg: **ECS MK**; Reuters: **ECSI.KL**) posted a 15.6% increase in group net profit to RM28.9 million for the financial year ended 31 December 2010 (“FY2010”).

The increase in profit was achieved despite the 5.5% lower turnover of RM1.27 billion, due to the favourable sales mix that saw increased sales of higher-margin enterprise systems.

Overall, group revenues declined marginally from RM1,345.6 million to RM1,271.5 million, attributed to slower sales of volume-products in the Group’s ICT distribution segment. Nonetheless, gross margin continued to improve from 5.5% previously to 6.6% for FY2010.

“The Group’s higher profitability in FY2010 is the intended result of our efforts in building a higher-margin product mix. The year-on-year improvement in gross margins in the highly-competitive ICT market is no small feat, and we intend to continue with various initiatives to enhance the operations efficiency with the Group.

The current financial year has seen **ECS** adding reputable ICT principals to our portfolio, with more in the pipeline. We anticipate that these developments would have a positive impact on the Group in FY2011 and beyond.”

*Mr. Foo Sen Chin (“胡善正”)
Managing Director, ECS ICT Berhad*

Earnings per share increased to 24.11 sen in FY2010, versus 20.85 sen in FY2009, based on the share capital of 120 million shares of par value of RM0.50.

In view of the outstanding results, **ECS** has recommended for shareholders' approval a final tax-exempt dividend of 4.0 sen per share in respect of FY2010. Together with the interim dividend of 4.0 sen per share paid in 2010, the Group's total dividend payout for FY2010 would amount to 8.0 sen per share, or RM9.6 million, which constituted 33% of group net profits.

ECS has a dividend policy of 30% payout from net profit.

Financial Summary (Unaudited Consolidated Results)			
RM'000	FY10 to 31.12.10	FY09 to 31.12.09	Change
Revenue	1,271,512	1,345,614	(5.5%)
Pre-tax Profit	39,367	33,517	17.5%
Profit after tax	28,927	25,014	15.6%
Basic EPS (sen)	24.11	20.85	15.6%

About ECS ICT Berhad

ECS ICT Berhad ("ECSB"), 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, ECSB 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 21,000 channel partners across China, Thailand, Malaysia, Singapore, Indonesia and the Philippines.

ECSB distributes a comprehensive range of ICT products comprising notebooks, desktop computers, printers, software, network and communication infrastructure, servers, and enterprise software from more than 30 leading principals like Hewlett Packard, IBM, Cisco, Microsoft, Apple, Oracle, Epson, Samsung, Buffalo, Adobe, Juniper, Blue Coat, VMWare and Google.

With a nationwide channel network of more than 2,500 resellers comprising retailers, system integrators and corporate dealers, **ECSB** 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:

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