

ECS 2Q14 net profit jumps 37% to RM7.5 million

- *On the back of 30% revenue growth in 2Q14*
- *Implementation of Goods and Services Tax (GST) to drive Enterprise Systems segment in 2H14*

Kuala Lumpur, Malaysia, 6 August 2014 – Malaysia’s leading ICT distributor **ECS ICT Berhad (ECS, 佳杰科技; Bloomberg: ECS:MK; Reuters: ECSI.KL)** recorded an impressive 36.7% jump in group net profit to RM7.5 million for its second quarter ended 30 June 2014 (2Q14) versus RM5.5 million in the same quarter of the previous year, resulting from the strong growth in the ICT Distribution segment.

Group revenue grew 29.8% to RM389.9 million in 2Q14 from RM300.5 million previously. The top line growth was attributed largely to the 38.2% revenue rise in the Group’s ICT Distribution segment to RM262.0 million from RM189.6 million previously.

Meanwhile, the Enterprise Systems segment revenue increased 8.7% to RM117.5 million from RM108.1 million last year. The ICT Services segment sales more than doubled to RM10.5 million from RM2.8 million in the same quarter of the previous year.

“Our commendable results in the ICT Distribution segment in 2Q14 builds upon the strengthening buyer sentiment of ICT products, particularly Personal Computers (PCs) and mobility products, such as tablets and smartphones.

In addition to that, our Enterprise Systems segment also showed signs of recovery, with steady project implementations leading to increased sales of servers and software products in 2Q14.

We are optimistic that the improving ICT spending trend will continue into the second half of 2014.”

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

ECS is buoyant on the outlook of the Enterprise Systems segment in the second half of 2014 in view of the impending implementation of the Goods and Services Tax (GST) in April 2015.

The National ICT Association of Malaysia, PIKOM, recently reported that less than 50% of local organisations were ready to adopt the new GST system from the perspectives of workforce, IT system and business processes.

Moreover the Malaysian Retailer-Chains Association stated that less than 10% of retailers placed emphasis on GST compliance, and typically they required six months preparation for its implementation.

Companies would be required to educate their employees on the implementation of the GST system, as well as upgrade their existing systems in order to support the real-time transaction data.

Foo added: “This situation bodes well for the Group as we have been working closely with our System Integrators and corporate dealers to provide business enterprises the access to the necessary ICT equipment and software needed for the GST compliant system”.

“Furthermore, we are confident that our ICT Distribution segment will continue to grow in the second half of the year as we anticipate stronger demand for PCs, notebooks and smartphones.”

“As the leading ICT distributor in Malaysia, we believe that we are in a good position to capture these opportunities going forward,” he concluded.

The Group’s strong 2Q14 performance boosted its first half results ended 30 June 2014 (1H14) where group revenue grew 20.4% to RM747.6 million versus RM620.8 million last year.

ECS’ top line growth was driven by the ICT Distribution segment, which grew 29.2% to RM513.6 million in 1H14 as compared to RM397.5 million in the cumulative quarter of the previous year. The Enterprise Systems segment was sustained at RM213.0 million versus RM216.6 million previously, while ICT services posted RM21.0 million in 1H14 from RM6.7 million last year.

The Group’s bottom line grew 3.5% to RM12.3 million in 1H14 from RM11.9 million previously. Basic earnings per share was at 6.8 sen in 1H14 versus 6.6 sen last year.

Financial Summary (Unaudited Consolidated Results)						
	2Q14		2Q13		Change	
RM'000	30.06.14	30.06.13	Change	1H14	1H13	Change
	30.06.14	30.06.13		30.06.14	30.06.13	
Revenue	389,916	300,463	29.8%	747,635	620,798	20.4%
Pre-tax Profit	10,324	7,535	37.0%	17,000	16,339	4.0%
Net profit to shareholders	7,515	5,498	36.7%	12,300	11,879	3.5%
Basic EPS (sen)*	4.2	3.1	35.5%	6.8	6.6	3.0%
<i>*Based on 180 million shares of RM0.50 par value each</i>						



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 8201 / +6012-626 6855