

**Press Release – 1Q 2007 Results**

**ECS Records All-time High Net Profit of \$4.4 Million for Seasonally Slowest Quarter 1Q; Broad-based Bottom-line Growth of 31.1% Near-triples Revenue Growth**

- **Group is starting to reap the benefits of margin-enhancing initiatives implemented over the last two to three years**
- **Revenue up 12.0% to \$621.5 million on double-digit growth in Distribution segment, spearheaded by China and Malaysia**
- **ECS China continues to unlock its strong potential – robust PBIT growth for both consumer and enterprise market segments**
- **Working capital management further improves from 1Q 2006's 51.7 days to 1Q 2007's 46.9 days**
- **Outlook: Directors expect better earnings for 2Q 2007 riding on stronger economic outlook and higher ICT spending in the region**

**Singapore, 9 May 2007** – SGX Mainboard-listed **ECS Holdings Limited** (“ECS” or the “Group”), a leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names, announced today a record net profit for the seasonally slowest first quarter ended 31 March 2007 (“1Q 2007”). Net profit growth outpaces revenue growth by almost three times as the Group starts to reap the benefits of its on-going margin-enhancement growth strategy.

The Group's 1Q 2007 net profit after tax and minority interest (“NPAT”) soared 31.1% year-on-year to \$4.4 million compared to 1Q 2006's \$3.3 million, powered by robust growth in higher-margin businesses and improved operational and working capital management efficiencies.

1Q 2007 revenue rose 12.0% to \$621.5 million compared to \$554.9 million a year ago, driven by double-digit growth delivered by ECS' Distribution segment. Malaysia and China are the star performers, leveraging on their strengthening alliances with key vendors. This was despite the first quarter being the seasonally slowest quarter due to the extended Chinese New Year holidays in these two countries and other parts of Asia.

Commenting on the Group's strongest-ever performance for 1Q, Mr. Tay Eng Hoe, Group CEO of ECS, said, “I am delighted that we have kicked off 2007 with commendable performance all-round. We have surpassed seasonality factors to continue building on the growth momentum established over the past few quarters.”

In line with ECS' strategic focus on growing margins, 1Q 2007 net profit before interest and tax ("PBIT") improved 18.3% to \$8.3 million from \$7.0 million in 1Q 2006. Both the Distribution and Enterprise Systems segments did well, with year-on-year PBIT growing faster than revenue growth rates. In the Distribution segment, the growth in PBIT was led by stronger sales of notebooks, desktop PCs and supplies while in the Enterprise Systems segment, PBIT growth was driven by the Group continuing to gain good ground in the markets for enterprise software and networking products.

"Furthermore, our concerted efforts over the last few years have honed our internal operating and measurement systems, while concurrently invested in building a strong team in all business segments. We have achieved a significant accomplishment in 1Q07 where working capital days improved from 51.7 days in 1Q 2006 to 46.9 days in 1Q 2007. This helped our operating cash flow to improve to \$9.3 million from \$3.2 million a year ago," explained Mr Tay.

Earnings per share ("EPS") rose to 1.20 cents per ordinary share in 1Q 2007 from 0.92 cent in 1Q 2006 while NAV rose to 54.39 cents per ordinary share as at 31 March 2007 versus 52.27 cents as at 31 December 2006.

Operating profit rose 18.8% to \$9.3 million and operating profit margin was higher at 1.5% in 1Q 2007 compared to 1.4% in 1Q 2006. Total operating expenses as a percentage of revenue improved to 3.3% in 1Q 2007 from 3.6% in 1Q 2006 on stringent cost management and improved operational efficiencies.

On a geographical basis, the Group registered strong revenue and PBIT growth in both North Asia and South East Asia with PBIT growth outstripping revenue growth. North Asia's 10.4% and 24.8% growth rates in revenue and PBIT respectively were broad-based across the Distribution and Enterprise Systems segments. South East Asia's 13.4% and 14.9% growth rates in revenue and PBIT respectively was driven mainly by robust distribution sales in Malaysia.

According to February 2007 IDC reports, ICT expenditure in the Asia (excluding Japan) region is expected to continue to be one of the fastest-growing regions globally.

For emerging economies such as Indonesia and the Philippines, ECS is confident pent-up demand for enterprise systems including servers, networking and storage and peripheral products in niche sectors will drive growth as investments in these products are needed to lift the development of both businesses and the economy up the value chain.

On the outlook, the Company expects that the Group's performance for the next quarter would be better than 1Q 2007.



###end of release###

*Issued on behalf of the Company by WeR1 Consultants Pte Ltd:*

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**About ECS Holdings Limited:**

*Listed on the Main-board of the Singapore Exchange since 2001, ECS Holdings Limited ("ECS") is a leading ICT products and services provider, serving and supporting a wide regional customer base. The Group has 33 offices in six countries namely China, Thailand, Malaysia, Singapore, Indonesia and the Philippines.*

*The Group's three main businesses are Enterprise Systems, IT Services and Distribution. Its Enterprise Systems Division designs, installs and implements IT infrastructure for companies, while its IT Services Division provides a comprehensive range of professional, technical support and training services. Leading IT vendors use ECS' network of over 18,000 channel partners in the region to distribute their products. The Group has a consistent profit track and a management that is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.*

*For more information, please log onto: <http://www.ecs.com.sg>*