

**Press Release – 2Q 2007 Results**

**ECS' 2Q 2007 Net Profit Surges To All-time Quarterly Record High of S\$6.2M; Expects better year-on-year performance for 3Q 2007 and whole of FY 2007**

- **15.3% Jump In Operating Profit As Operating Efficiencies Continue To Pay Off**
- **Revenue rises 23.0% propelled by robust growth in notebook sales in China and Malaysia**
- **ECS China continues to unlock value – leading both revenue and profitability growth**
- **Outlook: Directors expect performance in 3Q 2007 and whole of FY 2007 to improve year-on-year**

**Singapore, 1 August 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 that its net profit after tax and minority interest (“NPATMI”) for the second quarter ended 30 June 2007 (“2Q 2007”) rose 17.8% to S\$6.2million – its highest-ever quarterly profit in history as the Group’s growth strategies continued to reap results.

Buoyed by continuing operational efficiencies, the Group’s operating profit in 2Q 2007 rose 15.3% to S\$10.6 million compared to S\$9.2 million in 2Q 2006.

At the same time, ECS’ net profit before interest and tax (“PBIT”) in 2Q 2007 rose 19.0% to S\$10.8 million from S\$9.1 million in 2Q 2006 as profit for the Distribution and Enterprise business segments grew 19.7% and 14.5% respectively.

Commenting on the Group’s strongest-ever performance for any quarter, Mr. Tay Eng Hoe, Group CEO of ECS, said, “Our performance reflects that our growth strategies are on the right track. Even as technology markets in the region remain generally strong, with the highly committed management team and well-established regional footprint, ECS has succeeded in delivering its highest-ever quarterly net profit.”

“Although our main growth driver this quarter was the Distribution segment mainly led by notebook sales, our Enterprise business segment also saw strong profitability growth as we

continued to adjust our product portfolio and enhance margin contribution from higher-value products,” continued Mr. Tay.

The bottom-line performance was achieved on the back of 2Q 2007 revenue growth of 23.0% to S\$688.7 million from S\$559.8 million in 2Q 2006, spearheaded by robust growth in notebook sales in China and Malaysia. The two markets were ECS’ star performers this quarter as it successfully leveraged on strengthening alliances with global manufacturers to seize opportunities from the ongoing trends in the regional ICT market.

Over the past few quarters, the industry-wide shift in homebuyer and corporate demand patterns from desktop PCs to notebook PCs in the region has gained momentum with rising affluence, increasing need for mobility and individualism.

As a result, many global vendors which ECS serves have stepped up marketing initiatives in the region to tap this burgeoning demand. With growing competition, many global vendors have preferred to pursue “indirect channel” distribution strategies which collectively serve both the homebuyer and institutional segments.

“The strong growth in our notebook sales as well as the solid performance of many of the leading vendors this quarter validates the “indirect” model which in turn underscores the importance of our distribution network,” added Mr. Tay.

For the six months ended 30 June 2007 (“1H 2007”), the Group recorded a 22.9% rise in NPATMI to S\$10.6 million compared to S\$8.6 million a year ago. Group revenue for 1H 2007 increased 17.5% to S\$1.3 billion from S\$1.1 billion a year earlier.

On a geographical market basis, North Asia led the growth in both revenue and profitability with a 27.5% increase in revenue and a 20.6% increase in PBIT in 2Q 2007. South East Asia also performed well with a 18.9% increase in revenue and a 11.3% increase in PBIT in 2Q 2007.

Earnings per share (“EPS”) correspondingly rose to 1.71 cents per ordinary share in 2Q 2007 from 1.45 cents in 2Q 2006. On a half-year basis, EPS rose to 2.91 cents in 1H 2007 from 2.37 cents in 1H 2006.

According to industry estimates, ICT expenditure in Asia (excluding Japan) is expected to continue to be one of the fastest-growing across the globe; by 2009, ICT spending in Asia is expected to grow 8% annually, exceeding global spending growth of 5%. Against this backdrop, with the strong management team and well-established regional footprint, the Directors expect the Group’s performance for 3Q 2007 and for the whole of FY 2007 to be better than 3Q 2006 and FY 2006 respectively.



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

**Media contact information:**

WeR1 Consultants Pte Ltd  
29 Scotts Road  
Singapore 228224  
Mona Leong, Reshma Jain, Woo Joen Wai  
Tel: (65) 67374844; HP: (65) 8200 9339  
[monaleong@wer1.net](mailto:monaleong@wer1.net); [reshma@wer1.net](mailto:reshma@wer1.net);  
[woojw@wer1.net](mailto:woojw@wer1.net)

ECS Holdings Limited.  
19 Kallang Avenue #07-153  
Singapore 339410  
Sharon Boh-Friberg  
HP: (65) 91808062  
[Sharon.bohfriberg@ecs.com.sg](mailto:Sharon.bohfriberg@ecs.com.sg)

**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>*