

**ECS HOLDINGS LIMITED**  
**Third Quarter Financial Statement and Dividend Announcement**

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**1(a)(i) Income Statement for the third quarter and nine months ended 30 September 2007.**

	Group					
	Three Months Ended 30 September			Nine Months Ended 30 September		
	2007 \$'000	2006 \$'000	% Increase/ (Decrease)	2007 \$'000	2006 \$'000	% Increase/ (Decrease)
<b>Revenue</b>	<b>754,327</b>	<b>608,161</b>	<b>24.0</b>	<b>2,064,525</b>	<b>1,722,894</b>	<b>19.8</b>
Cost of sales	(719,950)	(580,122)	24.1	(1,970,164)	(1,641,225)	20.0
Gross profit	34,377	28,039	22.6	94,361	81,669	15.5
Other income including interest income	1,175	945	24.3	2,667	3,084	(13.5)
Selling & distribution expenses	(13,920)	(11,653)	19.5	(38,802)	(34,636)	12.0
General & administrative expenses	(9,760)	(7,759)	25.8	(27,471)	(25,832)	6.3
<b>Operating profit (note 1)</b>	<b>11,872</b>	<b>9,572</b>	<b>24.0</b>	<b>30,755</b>	<b>24,285</b>	<b>26.6</b>
Finance costs	(2,302)	(2,498)	(7.8)	(6,584)	(7,073)	(6.9)
Share of profit of associate	160	226	(29.1)	437	1,659	(73.7)
<b>Profit from operations before tax</b>	<b>9,730</b>	<b>7,300</b>	<b>33.3</b>	<b>24,608</b>	<b>18,871</b>	<b>30.4</b>
Income tax expense	(2,814)	(1,387)	102.9	(5,759)	(3,721)	54.8
<b>Profit for the period</b>	<b>6,916</b>	<b>5,913</b>	<b>17.0</b>	<b>18,849</b>	<b>15,150</b>	<b>24.4</b>
Attributable to:						
Equity holders of the parent	6,183	5,502	12.4	16,779	14,121	18.8
Minority interests	733	411	78.5	2,070	1,029	101.2
	<u>6,916</u>	<u>5,913</u>	17.0	<u>18,849</u>	<u>15,150</u>	24.4

## Breakdown and explanatory Notes to Income Statement

1. The following items have been included in arriving at operating profit:-

	Three Months Ended 30			Nine Months Ended 30		
	September 2007 \$'000	2006 \$'000	% Increase/ (Decrease)	September 2007 \$'000	2006 \$'000	% Increase/ (Decrease)
Depreciation and amortisation	(914)	(923)	(0.9)	(2,687)	(2,749)	(2.2)
Allowance made for doubtful debts and bad debts written off	(655)	(905)	(27.7)	(1,545)	(2,405)	(35.7)
Allowance (made)/reversed for inventory obsolescence and inventories written off	(275)	(790)	(65.2)	(1,330)	(1,770)	(24.9)
Foreign exchange gain / (loss)	325	310	4.9	925	356	159.9
Gain/(loss) on sale of property, plant and equipment	(90)	1	Nm	(35)	1	Nm
Fair value changes on financial instruments	(1,061)	(306)	246.7	(2,094)	(2,628)	(20.3)

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30 September 2007 \$'000	31 December 2006 \$'000	30 September 2007 \$'000	31 December 2006 \$'000
	<b>Non-Current Assets</b>			
Property, plant and equipment	10,381	10,323	187	115
Investment in subsidiaries	-	-	96,174	94,518
Investment in associate	6,762	6,428	-	-
Other assets	708	667	149	44,969
Goodwill on consolidation	33,522	33,522	-	-
Deferred tax assets	2,707	1,987	-	-
	54,080	52,927	96,510	139,602
<b>Current Assets</b>				
Inventories	149,565	123,324	-	-
Trade and other receivables	434,752	363,305	83,480	57,762
Cash and bank balances	35,459	29,400	354	505
	619,776	516,029	83,834	58,267
<b>Current Liabilities</b>				
Bank overdrafts (Unsecured)	1,232	19	-	-
Trade and other payables	259,816	197,867	1,823	2,809
Deferred Income	636	321	-	-
Bank borrowings	192,306	119,730	64,800	31,928
Loan due to minority shareholders of subsidiary	-	521	-	-
Finance lease liabilities	23	22	-	-
Preference shares	-	77	-	-
Current tax payable	2,925	2,670	67	-
	456,938	321,227	66,690	34,737
<b>Net Current Assets</b>	162,838	194,802	17,144	23,530
<b>Non-Current Liabilities</b>				
Bank borrowings	-	44,822	-	44,822
Loans due to minority shareholders of subsidiary	-	3,936	-	-
Deferred tax liabilities	383	398	27	27
Deferred income	399	239	-	-
Finance lease liabilities	11	31	-	-
	793	49,426	27	44,849
	<b>216,125</b>	<b>198,303</b>	<b>113,627</b>	<b>118,283</b>
<b>Equity attributable to equity holders of the parent</b>				
Share capital	112,695	112,016	112,695	112,016
Other reserves	(940)	32	199	5,655
Retained earnings	94,117	78,007	733	612
	205,872	190,055	113,627	118,283
<b>Minority interests</b>	10,253	8,248	-	-
<b>Total Equity</b>	<b>216,125</b>	<b>198,303</b>	<b>113,627</b>	<b>118,283</b>

**Notes to Balance Sheet**

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<b>As at 30/09/2007</b>		<b>As at 31/12/2006</b>	
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	193,538	-	119,749

**Amount repayable after one year**

<b>As at 30/09/2007</b>		<b>As at 31/12/2006</b>	
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	-	44,822

**Details of any collateral**

Nil.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Three Months Ended 30 Sep		Nine Months Ended 30 Sep	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<b>Cash Flows from Operating Activities</b>				
Profit from operations before taxation	9,730	7,300	24,608	18,871
Adjustments for :				
Share of profit of associate	(160)	(226)	(437)	(1,659)
Fair value changes on financial instruments	1,061	306	2,094	2,628
Depreciation of property, plant and equipment	914	923	2,687	2,749
(Gain) / Loss on disposal of property, plant and equipment	90	(1)	35	(1)
Interest expense	2,302	2,498	6,584	7,073
Interest income	(22)	(433)	(426)	(1,108)
Operating profit before working capital changes	13,915	10,367	35,145	28,553
Changes in working capital :				
Inventories	3,195	(1,819)	(24,960)	(20,602)
Trade and other receivables	(43,343)	(1,763)	(75,235)	(12,973)
Trade and other payables	28,472	5,816	62,192	15,789
Cash utilised in operations	2,239	12,601	(2,858)	10,767
Income taxes paid	(2,787)	(2,698)	(6,157)	(4,957)
<b>Net cash flow from operating activities</b>	<b>(548)</b>	<b>9,903</b>	<b>(9,015)</b>	<b>5,810</b>
<b>Cash Flows from Investing Activities</b>				
Interest received	22	433	426	1,108
Investment in associate	-	-	-	(3,778)
Purchase of property, plant and equipment	(1,006)	(661)	(2,483)	(1,864)
Proceeds from disposal of property, plant and equipment	16	26	78	33
Purchase of other assets	(4)	(10)	(4)	(10)
<b>Net cash flow from investing activities</b>	<b>(972)</b>	<b>(212)</b>	<b>(1,983)</b>	<b>(4,511)</b>
<b>Cash Flows from Financing Activities</b>				
Interest paid	(3,374)	(3,578)	(5,556)	(7,938)
Dividend Paid	-	-	(5,456)	(5,091)
Proceeds from issue of shares	134	-	679	-
Proceeds from bank loans	24,585	13,435	58,946	52,098
Repayment of bank loans	(17,471)	(25,183)	(32,652)	(61,080)
Payment of finance lease instalments	(6)	(6)	(17)	(18)
(Loans to) / Repayment of loans from associate	-	(811)	4,605	(6,315)
Payment to minority shareholders of subsidiaries	-	-	(4,563)	-
	-	-	-	-
<b>Net cash flow from financing activities</b>	<b>3,868</b>	<b>(16,143)</b>	<b>15,986</b>	<b>(28,344)</b>
Net (decrease)/ increase in cash and cash equivalents	2,348	(6,452)	4,988	(27,045)
Cash and cash equivalents at beginning of the period	32,278	31,352	29,381	53,673
Effects of exchange rate changes on balances held in foreign currencies	(399)	(18)	(142)	(1,746)
Cash and cash equivalents at end of period	34,227	24,882	34,227	24,882

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Statement of Changes in Equity

**(i) Consolidated statement of changes in equity for the nine months ended 30 September 2007**

	Share Capital \$'000	Dividend Reserve \$'000	General Reserve \$'000	Revaluation Reserve \$'000	Accumulated Profits \$'000	Currency Translation Reserve \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
<b>Bal as at 1 Jan 2007</b>	112,016	5,655	-	-	78,007	(5,623)	190,055	8,248	198,303
Transfer of profit	-	-	361	(13)	(348)	-	-	-	-
Net profit for the period	-	-	-	-	4,368	-	4,368	554	4,922
Exchange gain/(loss) on translation of net assets of foreign subsidiaries	-	-	-	-	-	3,349	3,349	(61)	3,288
<b>Bal as at 31 Mar 2007</b>	<u>112,016</u>	<u>5,655</u>	<u>361</u>	<u>(13)</u>	<u>82,027</u>	<u>(2,274)</u>	<u>197,772</u>	<u>8,741</u>	<u>206,513</u>
Issue of shares	545	-	-	-	-	-	545	-	545
Transfer of profit	-	-	308	13	(321)	-	-	-	-
Net Profit for the period	-	-	-	-	6,228	-	6,228	783	7,011
Final tax exempt one-tier dividend paid at 1.5 cents per share	-	(5,456)	-	-	-	-	(5,456)	-	(5,456)
Exchange gain/(loss) on translation of net assets of foreign subsidiaries	-	-	-	-	-	2,121	2,121	3	2,124
<b>Bal as at 30 Jun 2007</b>	<u>112,561</u>	<u>199</u>	<u>669</u>	<u>-</u>	<u>87,934</u>	<u>(153)</u>	<u>201,210</u>	<u>9,527</u>	<u>210,737</u>
Issue of shares	134	-	-	-	-	-	134	-	134
Net Profit for the period	-	-	-	-	6,183	-	6,183	733	6,916
Exchange gain/(loss) on translation of net assets of foreign subsidiaries	-	-	-	-	-	(1,655)	(1,655)	(7)	(1,662)
<b>Bal as at 30 Sep 2007</b>	<u>112,695</u>	<u>199</u>	<u>669</u>	<u>-</u>	<u>94,117</u>	<u>(1,808)</u>	<u>205,872</u>	<u>10,253</u>	<u>216,125</u>

(ii) Consolidated statement of changes in equity for the nine months ended 30 September 2006

	Share Capital \$'000	Share Premium \$'000	Dividend Reserve \$'000	Hedging Reserve \$'000	Accumulated Profits \$'000	Currency Translation Reserve \$'000	Total \$'000	Minority Interest \$'000	Total Equity \$'000
<b>Bal as at 1 Jan 2006</b>	36,360	75,656	5,196	(1,856)	63,505	(4,676)	174,185	7,589	181,774
Transfer to share capital	75,656	(75,656)	-	-	-	-	-	-	-
Net profit for the period	-	-	-	-	3,333	-	3,333	264	3,597
Fair value changes on hybrid swap instrument	-	-	-	1,856	-	-	1,856	-	1,856
Exchange gain on translation of net assets of foreign subsidiaries	-	-	-	-	-	(275)	(275)	(12)	(287)
<b>Bal as at 31 Mar 2006</b>	<u>112,016</u>	<u>-</u>	<u>5,196</u>	<u>-</u>	<u>66,838</u>	<u>(4,951)</u>	<u>179,099</u>	<u>7,841</u>	<u>186,940</u>
Net profit for the period	-	-	-	-	5,286	-	5,286	354	5,640
Final tax exempt one-tier dividend paid at 1.4 cents per share	-	-	(5,091)	-	-	-	(5,091)	-	(5,091)
Exchange gain on translation of net assets of foreign subsidiaries	-	-	-	-	-	(1,142)	(1,142)	(32)	(1,174)
<b>Bal as at 30 June 2006</b>	<u>112,016</u>	<u>-</u>	<u>105</u>	<u>-</u>	<u>72,124</u>	<u>(6,093)</u>	<u>178,152</u>	<u>8,163</u>	<u>186,315</u>
Net profit for the period	-	-	-	-	5,502	-	5,502	411	5,913
Exchange gain on translation of net assets of foreign subsidiaries	-	-	-	-	-	1,175	1,175	(251)	924
<b>Bal as at 30 Sep 2006</b>	<u>112,016</u>	<u>-</u>	<u>105</u>	<u>-</u>	<u>77,626</u>	<u>(4,918)</u>	<u>184,829</u>	<u>8,323</u>	<u>193,152</u>

(iii) Statement of changes in equity of the company for the nine months ended 30 September 2007

	Share Capital \$'000	Dividend Reserve \$'000	Accumulated Profits / (Losses) \$'000	Total \$'000
<b>Bal as at 1 Jan 2007</b>	112,016	5,655	612	118,283
Net Profit for the period	-	-	339	339
<b>Bal as at 31 Mar 2007</b>	<u>112,016</u>	<u>5,655</u>	<u>951</u>	<u>118,622</u>
Issue of shares	545	-	-	545
Net loss for the period	-	-	(46)	(46)
Final tax-exempt one-tier dividends of 1.5 per share	-	(5,456)	-	(5,456)
<b>Bal as at 30 June 2007</b>	<u>112,561</u>	<u>199</u>	<u>905</u>	<u>113,665</u>
Issue of shares	134	-	-	134
Net loss for the period	-	-	(172)	(172)
<b>Bal as at 30 Sep 2007</b>	<u>112,695</u>	<u>199</u>	<u>733</u>	<u>113,627</u>

(iv) Statement of changes in equity of the company for the nine months ended 30 September 2006

	Share Capital \$'000	Share Premium \$'000	Dividend Reserve \$'000	Accumulated Profits / (Losses) \$'000	Total \$'000
<b>Bal as at 1 Jan 2006</b>	36,360	75,656	5,196	566	117,778
Transfer to Share Capital	75,656	(75,656)	-	-	-
Net loss for the period	-	-	-	(291)	(291)
<b>Bal as at 31 Mar 2006</b>	<u>112,016</u>	<u>-</u>	<u>5,196</u>	<u>275</u>	<u>117,487</u>
Net loss for the period	-	-	-	(338)	(338)
Final tax exempt one-tier dividend paid of 1.4 cents per share	-	-	(5,091)	-	(5,091)
<b>Bal as at 30 Jun 2006</b>	<u>112,016</u>	<u>-</u>	<u>105</u>	<u>(63)</u>	<u>112,058</u>
Net profit for the period	-	-	-	115	115
<b>Bal as at 30 Sep 2006</b>	<u>112,016</u>	<u>-</u>	<u>105</u>	<u>52</u>	<u>112,173</u>



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the quarter ended 30 September 2007, the Company issued 264,000 shares arising from the exercise of stock options under ECS Employee Stock Option Scheme II. As at 30 September 2007, the Company has outstanding share options of 20,247,000 unissued ordinary shares. The outstanding share options as at 30 September 2006 amounted to 22,279,000 unissued ordinary shares.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The Group's financial information relating to the nine-month period ended 30 September 2007 as set out in paragraph 1 of this announcement have been extracted from the interim condensed consolidated financial statements that have been reviewed in accordance with SSRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

The following is the auditors' report dated 14 November 2007 on the interim condensed consolidated financial statements of the Company and its subsidiaries for the nine-month period ended 30 September 2007:

#### *Introduction*

We have reviewed the interim condensed consolidated financial statements of ECS Holdings Limited and its subsidiaries (the "Group") for the period ended 30 September 2007. The interim condensed consolidated financial statements consist of the balance sheet of the Group as at 30 September 2007, the income statement for the period ended 30 September 2007, the statement of changes in equity and statement of cash flows for the period ended 30 September 2007 and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Singapore Financial Reporting Standard 34 Interim Financial Reporting ("FRS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### *Scope of Review*

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of interim financial information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not present fairly, in all material respects, the state of affairs of the Group as at 30 September 2007, and of the results, changes in equity and cash flows of the Group for the period then ended in accordance with FRS 34.

The interim condensed consolidated financial statements of the Company and its subsidiaries for the nine-month period ended 30 September 2007 is available on request from the Company.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2006 except as described in paragraph 5.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Amendments and Interpretations to the Singapore Financial Reporting Standards ("FRSs") for periods effective from 1 January 2007 are currently being assessed to have no material impact on the Group results.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	3 Months Ended 30 Sep 2007	3 Months Ended 30 Sep 2006	9 Months Ended 30 Sep 2007	9 Months Ended 30 Sep 2006
Earnings per ordinary share for the year based on net profit attributable to shareholders:-				
(i) Based on weighted average number of ordinary shares in issue	1.70 cents	1.51 cents	4.61 cents	3.88 cents
Weighted average number of shares ('000)	363,863	363,599	364,311	363,599
(ii) On a fully diluted basis	1.68 cents	1.51 cents	4.58 cents	3.88 cents
Weighted average number of shares ('000)	367,251	363,599	366,267	363,599

In arriving at the fully diluted earnings per share, only those potential ordinary shares arising from the exercise of options which would dilute the basic earnings per share of the Group are included in the computation.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	<b>GROUP</b>	
	30 September 2007	31 December 2006
Net asset value per ordinary share based on issued share capital as at the end of the financial period	56.39 cents	52.27 cents

	<b>COMPANY</b>	
	30 September 2007	31 December 2006
Net asset value per ordinary share based on issued share capital as at the end of the financial period	31.12 cents	32.53 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

## Review of Group Performance

### Business Segment Information

	Revenue			Profit before Interest & Taxation		
	3Q 2007	3Q 2006	%	3Q 2007	3Q 2006	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
Distribution	496,766	391,265	27.0	5,915	4,563	29.6
Enterprise Systems	249,185	211,134	18.0	6,393	4,713	35.6
IT Services	8,376	5,762	45.4	625	602	3.8
Share of associate's profit	-	-	Nm	160	226	(29.1)
Fair value changes on financial instruments	-	-	Nm	(1,061)	(306)	246.7
<b>Total</b>	<b>754,327</b>	<b>608,161</b>	<b>24.0</b>	<b>12,032</b>	<b>9,798</b>	<b>22.8</b>

	Revenue			Profit before Interest & Taxation		
	9 Months Ended 30 Sep		%	9 Months Ended 30 Sep		%
	2007	2006	Change	2007	2006	Change
	\$'000	\$'000		\$'000	\$'000	
Distribution	1,349,423	1,047,637	28.8	15,617	12,960	20.5
Enterprise Systems	693,995	657,681	5.5	15,473	12,234	26.5
IT Services	21,107	17,576	20.1	1,704	1,719	(0.9)
Share of associate's profit	-	-	Nm	437	787	(44.5)
Fair value changes on financial instruments	-	-	Nm	(2,094)	(2,628)	(20.3)
Negative goodwill	-	-	Nm	55	872	(93.7)
<b>Total</b>	<b>2,064,525</b>	<b>1,722,894</b>	<b>19.8</b>	<b>31,192</b>	<b>25,944</b>	<b>20.2</b>

## Geographical Segment Information

	Revenue			Profit before Interest & Taxation		
	3Q 2007	3Q 2006	%	3Q 2007	3Q 2006	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
North Asia	410,762	295,682	38.9	5,867	4,799	22.3
South East Asia	343,565	312,479	9.9	7,066	5,079	39.1
Share of associate's profit	-	-	Nm	160	226	(29.1)
Fair value changes on financial instruments	-	-	Nm	(1,061)	(306)	Nm
<b>Total</b>	<b>754,327</b>	<b>608,161</b>	<b>24.0</b>	<b>12,032</b>	<b>9,798</b>	<b>22.8</b>

	Revenue			Profit before Interest & Taxation		
	9 Months Ended 30 Sep			9 Months Ended 30 Sep		
	2007	2006	%	2007	2006	%
	\$'000	\$'000	Change	\$'000	\$'000	Change
North Asia	1,053,063	835,607	26.0	13,793	11,280	22.3
South East Asia	1,011,462	887,287	14.0	19,001	15,633	21.5
Share of associate's profit	-	-	Nm	437	787	(44.5)
Fair value changes on financial instruments	-	-	Nm	(2,094)	(2,628)	(20.3)
Negative goodwill	-	-	Nm	55	872	(93.7)
<b>Total</b>	<b>2,064,525</b>	<b>1,722,894</b>	<b>19.8</b>	<b>31,192</b>	<b>25,944</b>	<b>20.2</b>

### (a) Revenue

The Group's revenue for the nine months ended 30 September 2007 increased by 19.8% to \$2.1b as compared to \$1.7b for the same comparative period ending 30 September 2006. For 3Q 2007, the Group's revenue increased by 24.0% to \$754.3m as compared to 3Q 2006, mainly led by the continued strong demand in consumer desktops and notebooks. As a result, our Distribution segment continues to perform well. Revenue for Enterprise Systems segment also grew strongly, mainly driven by higher growth in networking products and enterprise softwares. IT Services segment also recorded higher revenue in 3Q 2007 vs 3Q 2006 due to higher revenue contribution from Thailand.

Geographically, both North Asia and South East Asia region performed well in 3Q 2007. North Asia registered a 38.9% growth year-on-year in the third quarter, led by strong growth in desktop PCs, notebooks and networking products. In South East Asia, the increase in revenue was mainly driven by notebooks, enterprise softwares and storage products.

### (b) Profitability

The Group's net profit after tax and minority interests ("NPATMI") for the nine months ended 30 September 2007 increased by 18.8% to \$16.8m versus \$14.1m in the same corresponding period in 2006. The Group's NPATMI for 3Q 2007 increased by 12.4% to \$6.2m as compared to \$5.5m in 3Q 2006.

Gross margin for 3Q 2007 was maintained at 4.6%. Selling and distribution expenses in 3Q 2007 increased by 19.5% to \$13.9m as compared to 3Q 2006, in line with the increase in revenue. General and administrative expenses increased by 25.8% year-on-year to \$9.8m, mainly due to higher fair value changes in financial instruments of \$0.7m. Overall, total operating expenses was well managed at 3.14% of revenue in 3Q 2007 as compared to 3.19% of revenue in 3Q 2006.

Finance costs were 7.8% lower in 3Q 2007 vs 3Q 2006, as a result of better utilization of cash resources. Tax expenses in 3Q 2007 were higher as compared to 3Q 2006 due to underprovision of tax expenses in previous years, as well as due to increased profit contributions from subsidiaries in higher tax jurisdictions.

The Group's net profit before interest and tax ("PBIT") for 3Q 2007 improved by 22.8% to \$12.0m from \$9.8m in 3Q 2006. Both Distribution and Enterprise business segments did well, which registered double-digit growth in profitability. In the Distribution segment, the 29.6% year-on-year growth in PBIT for 3Q 2007 was mainly driven by stronger sales of desktop PCs and notebooks. In the Enterprise Systems segment, the growth in PBIT of 35.6% for 3Q 2007 was attributed to higher margins in enterprise softwares, networking and storage products.

On a geographical basis, South East Asia led the growth in profitability for 3Q 2007, registering a 39.1% improvement over the previous year corresponding period. North Asia region also performed well in 3Q 2007 with growth in profitability of 22.3% as compared to 3Q 2006.

### **(c) Balance Sheet**

The Group's total shareholders funds were \$205.9m as at 30 September 2007, an increase of \$15.8m from \$190.1m as compared to 31 December 2006.

Group bank borrowings increased by \$28.9m to \$193.5m as at 30 September 2007, from \$164.6m as at 31 December 2006.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

N.A.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As the Asia-Pacific (excluding Japan) region continues to lead global economic growth, the impact on Info-Comm Technology ("ICT") development is also expected to increase manifold. According to industry estimates, ICT expenditure in Asia (excluding Japan) is expected to continue to be one of the fastest-growing across the world; by 2009, ICT spending in Asia is expected to grow 8% annually, exceeding global spending growth of 5%.

In the quarter under review, the Group announced that their controlling shareholders with a combined stake of 52.4% had entered into a conditional sale and purchase agreement to sell their stake to HKSE-listed VST Holdings Limited ("VST"), a leading ICT products and components distributor in the PRC. The sale and purchase agreement was completed on 30 October 2007.

Accordingly, pursuant to the requirements of the Singapore Code on Take-overs and Mergers, VST has, on 30 October 2007, made an announcement that it intends to make a mandatory general offer to ECS' remaining shareholders and such mandatory general offer is scheduled to be completed in 4Q07. According to the announcement, VST intends to keep ECS' listing on SGX to facilitate access to capital markets.

**11. Dividend**

**(a) Present Period**

Any dividend recommended for the current financial period reported on ? None

**(b) Previous Corresponding Period**

Any dividend declared for the corresponding period of the immediately preceding financial year ? None

**(c) Date payable**

N.A.

**(d) Books closure date**

N.A.

**12. If no dividend has been declared/recommended, a statement to that effect.**

N.A.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT  
(This part is not applicable to Q1,Q2, Q3 or Half Year Results)**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

N.A.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

N.A.

**15. A breakdown of sales as follows:-**

N.A.

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

N.A.

**17. Interested Person Transactions Under General Mandate.**

Name of Interested Persons	Aggregate value of all interested transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions concluded under shareholders' mandate pursuant to Rule 920)	Aggregate value of all transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
a) Transactions for the sale of goods and services with Singapore Computer Systems Ltd and its subsidiaries	N/A	712,397
b) Transactions for the sale of goods and services with Starhub Ltd and its subsidiaries	N/A	127,000
c) Transactions for the sale of goods and services with Singapore Telecommunications Ltd and its subsidiaries	N/A	1,281,806
d) Transactions for the sale of goods and services with ST Engineering Ltd and its subsidiaries	136,852	N/A
e) Transactions for the sale of goods and services with Vnet Capital Co., Ltd and its subsidiaries	N/A	581,883

The above transactions are for the third quarter ended 30 September 2007.

**BY ORDER OF THE BOARD**

**Eddie Foo Toon Ee**

**Company Secretary**

**14 November 2007**



**ECS HOLDINGS LIMITED**

**CONFIRMATION BY BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

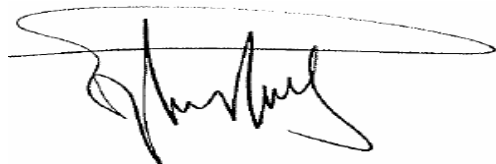
On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the 3<sup>rd</sup> quarter ended 30 September 2007 to be false or misleading.

On behalf of the Board of Directors



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Chairman  
Lin Chien



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Director  
Tay Eng Hoe

14 November 2007