

**Press Release – 1Q10 Results**

**SGX-listed ECS reports best-ever 1Q10 performance: net profit rises 31.4% to \$9.1 million, net margin rises to 1.1%**

- **1Q10 revenue rises 16.2% to \$830.7 million v/s \$715.2 million as Group leverages on growth strategies amid recovery in IT spending**
- **1Q10 operating profit sharply up 49.4% to \$15.5 million v/s \$10.4 million**
- **Outlook: Group expects FY2010 to be more profitable than FY2009**

**Singapore, 13 May 2010** – ECS Holdings Limited (“ECS” or the “Group”) announced today that its net profit after tax and minority interests (“NPATMI”) for the three months ended 31 March 2010 (“1Q10”) rose 31.4% to \$9.1 million – its highest-ever for the seasonally slowest quarter – as net margin surged to 1.1% led by a 26.5% improvement in gross margin and continued operating efficiencies.

The operating profit of the Singapore Exchange-listed ECS, a leading regional info-comm technology (“ICT”) solutions provider representing best-of-class global brand names, soared 49.4% to \$15.5 million from \$10.4 million over the comparative periods, significantly outpacing revenue growth.

ECS’ 1Q10 revenue rose 16.2% to \$830.7 million from \$715.2 million, benefiting from the Group’s growth initiatives as pent-up IT spending which had begun at the end of FY2009 spilled over into 1Q10.

Commenting on the Group’s 1Q10 performance, Mr David Li, Chairman of ECS, said, “ECS has delivered yet another strong set of results that have exceeded our own expectations in the Group’s seasonally slowest quarter. Our core business strategies continue to pay off as our main business segments ride on the economic recovery, helping us achieve the highest-ever first quarter revenue and profit.”

The increase in 1Q10 revenue was mainly led by the Distribution segment, which grew 24.8% to \$542.5 million from \$434.6 million on improved sales for notebooks, desktops and printers while Enterprise Systems registered a moderate increase of 3.4% to \$281.9 million from \$272.8 million a year ago.

Both the Distribution and Enterprise Systems continued to demonstrate strong profitability with year-on-year PBIT (“net profit before interest and tax”) growth of 61.5% and 45.5%, respectively, over the comparative periods. Consequently, ECS’1Q10 PBIT increased 50.3% to \$16.0 million from \$10.6 million in 1Q09.

Geographically, revenue for South East Asia registered a strong 29.4% growth year-on-year in 1Q10 while that for North Asia rose 5.0%. Excluding the effects of currency translation, revenue from North Asia would have grown by 12.1% year-on-year.

Total operating expenses as a percentage of revenue improved to 2.9% in 1Q10 from 3.0% in 1Q09, reflecting the success of efficiency measures imposed since the start of the financial crisis.

Earnings per share (“EPS”) on a full diluted basis rose to 2.49 cents in 1Q10 from 1.89 cents in 1Q09 while Net asset value (“NAV”) per share rose to 73.97 cents as at 31 March 2010 from 71.03 cents as at 31 December 2009. As at 31 March 2010, ECS had \$57.7 million in cash compared to \$37.1 million a year ago.

On Group outlook, Mr Li added, “The global economic crisis may have cut IT spending to all-time lows in 2008 and 2009 but the pent-up demand experienced in the last quarter of 2009 has spilled over in the first quarter of 2010 and appears likely to sustain its momentum for the rest of the year.”

Recovery in corporate IT spending is coming against a backdrop of new technological innovations and emerging technologies, which has led to a significant expansion of products and services in the market.

With improving economic sentiments and growth in emerging markets in Asia Pacific, businesses have accelerated spending again for hardware and software upgrades. At the same time, consumer spending has continued to demonstrate traction.

Consequently, ECS has been pursuing growth opportunities both in terms of product and market segments especially in Indonesia and China while simultaneously effecting margin improvements.

Given this and barring unforeseen circumstances, ECS’ directors anticipate the Group being more profitable in FY2010 than in FY2009.

For FY2009, ECS had recorded net profit attributable to shareholders of \$38.2 million on revenue of \$3.3 billion.

The Group’s Malaysian associate, ECS ICT Berhad, commenced trading on the Main Board of Bursa Malaysia on 15 April 2010.

###end of release###

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

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### **About ECS Holdings Limited (“ECS”)**

*Listed on Singapore Exchange Mainboard since 2001, ECS is a leading ICT products and services provider, serving a wide regional customer base. The Group has 37 offices in six countries namely China, Thailand, Malaysia, Singapore, Indonesia and the Philippines. The three main businesses are Enterprise Systems, IT Services and Distribution. Enterprise Systems Division designs, installs and implements IT infrastructure for companies, while IT Services Division provides a comprehensive range of professional, technical support and training services. Leading IT vendors use ECS’ network of over 21,000 channel partners in the region to distribute their products. ECS 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>*