

Press Release – 1Q 2011 Results

**ECS' 1Q 2011 NET PROFIT RISES 14.9% TO \$10.4M,
NET MARGIN ALSO UP TO 1.2% IN SEASONALLY
SLOWEST QUARTER**

- **1Q 2011 gross margin improves to 5.1% v/s 4.7% a year ago**
- **1Q 2011 China sales up 31.9%**
- **Strong 1Q 2011 cash balances at \$63.0m v/s \$57.7m in 1Q 2010**
- **1Q 2011 EPS rises to 2.86 cents v/s 2.49 cents in 1Q 2010, NAV per share at 83.27 cents at 31 March 2011, up from 81.18 cents at 31 December 2010**
- **Outlook: Directors confident that performance in FY2011 will be better than that of FY2010**

Singapore, 11 May 2011 – ECS Holdings Limited (“ECS” or the “Group”) announced today that its net profit attributable to equity holders (“net profit”) for the three months ended 31 March 2011 (“1Q 2011”) rose 14.9% to \$10.4 million while net margin rose to 1.2% in its seasonally slowest quarter, reflecting better product mix and improved internal efficiencies.

The performance of the Singapore Exchange Mainboard-listed leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names compares with net profit of \$9.1 million and net margin of 1.1% in 1Q 2010.

With a focused strategy in enhancing margins, 1Q 2011 gross margin improved to 5.1% compared to 4.7% in 1Q 2010 on a 1.3% rise in Group revenue to \$842 million in 1Q 2011 from \$831 million in 1Q 2010.

Excluding the effects of the revenue of the Group’s Malaysian company, ECS ICT Berhad for 1Q 2010, and assuming constant currency effects, the Group’s revenue for 1Q 2011 would have grown by 28.0%. Adjusting for the effects of deconsolidation of ECS ICT Berhad in 1Q 2010 and excluding the currency translation effects, the Group’s NPATMI would have grown by 29.5% year-on-year. This growth in revenue was mainly attributed to higher sales of supplies, networking hardware products and media tablets.

ECS ICT Berhad was deconsolidated from the Group’s results following its initial public offering and listing on the Main Market of Bursa Malaysia Securities Berhad on 15 April 2010.

Geographically, ECS’ China operations continued to dominate, which generated a year-on-year revenue growth of 31.9% to \$538.0 million in 1Q 2011 compared to



\$408.0 million in 1Q 2010, boosted by new distribution agreements with major global vendors concluded since the second half of the previous year.

As at 31 March 2011, ECS' cash and cash equivalents were \$63.0 million, up significantly from \$57.7 million as at 31 March 2010.

Earnings per share ("EPS"), rose to 2.86 cents in 1Q 2011 versus 2.49 cents in 1Q 2010 while net asset value ("NAV") per share increased to 83.27 cents as at 31 March 2011 versus 81.18 cents as at 31 December 2010.

Commenting on the Group's 1Q2011 performance, Mr. Narong Intanate, Group CEO of ECS, said, "ECS has successfully reacted to market changes. As a consequence, our recently implemented product portfolio adjustments and ongoing internal efficiencies have helped to deliver a solid performance even in our seasonally slowest quarter."

Since late 2010, ECS has re-adjusted its portfolio to concentrate on popular consumer technology products such as the Apple iPad and iPhone, Dell Streak and Samsung Galaxy as well as emerging enterprise products such as virtualisation solutions and data storage, all of which have grown rapidly among existing and new customers.

Additionally, as many of the new product distributorships such as Dell and Lenovo are on a regional level, these have enabled the Group to leverage on growing economies of scale.

On the outlook, Mr Intanate added, "Economic indicators point to continued growth in our major markets in Asia Pacific and we have already started implementing many strategies to ride on this growth. The next three quarters will see us continuing to enlarge our popular product categories and technologies and expand our geographical footprint in the Asia Pacific region."

The Group's proposed Taiwan Depository Receipts ("TDR") listing on the Taiwan Stock Exchange which is currently in progress, will also subsequently help to support the Group's growth potential.

Concurrently, ECS will continue to implement measures to improve ongoing financial efficiencies and cost control and operational efficiencies which will enable it to carry on enhancing bottom-line.

Against this background and barring unforeseen circumstances, the Directors are confident that ECS' performance in FY2011 will be better than in FY2010.

###end of release###



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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 39 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 23,000 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>