

Press Release – 3Q 2011 Results

ECS ANNOUNCES 3Q 2011 RESULTS

- **3Q 2011 revenue up 33.8% to S\$991.7m v/s S\$741.1m in 3Q 2010 on higher Distribution revenue in China**
- **However 3Q 2011 net profit down 33.7% to S\$9.1m v/s S\$13.7m in 3Q 2010, with lower gross margin and higher finance costs**
- **Positive operating cash flow up sharply at S\$31.7m v/s S\$12.3m a year earlier; net gearing down to 0.74 times in 3Q 2011 v/s 0.86 times in 2Q 2011**
- **Outlook: Directors expect ECS to remain profitable in 4Q 2011**

Singapore, 10 November 2011 – ECS Holdings Limited (“ECS” or the “Group”), announced today that its revenue for the three months ended 30 September 2011 (“3Q 2011”) rose 33.8% to S\$991.7 million from S\$741.1 million a year earlier driven by sharply increased sales of tablets, notebooks and desktops in China.

ECS’ Distribution segment increased its contribution to about 78.7% or S\$780.2 million of Group revenue in 3Q 2011 from 61.0% in 3Q 2010.

Geographically, China was ECS’ largest market with revenue growing at 48.8% for 3Q 2011 while South East Asia reported about a 12.1% increase year-on-year over the comparative periods.

However, lower gross margins from Distribution products dampened ECS’ bottom line performance and both 3Q 2011 and 9M 2011 net profit attributable to equity holders (“NATPMI”) declined by 33.7% to S\$9.1 million from S\$13.7 million and by 21.2% to S\$30.2 million from S\$38.3 million respectively. This was further accentuated by higher provisions for stock obsolescence, lower early payment discounts and higher finance costs incurred in 3Q 2011.

During the period under review, the management sustained efforts to improve working capital and cash flow. Accordingly, ECS generated a strong positive operating cash flow of S\$31.7 million, up sharply as compared to S\$12.3 million a year ago. As a result, 3Q 2011 net gearing was also down to 0.74 times (v/s 0.86 times in 2Q 2011).

Earnings per share (“EPS”) was 2.49 cents versus 3.76 cents in 3Q 2010 while net asset value (“NAV”) per share increased to 86.62 cents as at 30 September 2011 versus 81.18 cents as at 31 December 2010.

Mr Narong Intanate, Group CEO of ECS, said, “Despite the dampened economic and consumer sentiments, our performance in 3Q 2011 is reasonable. Going forward,



in view of an uncertain outlook, the Group will continue to focus on operating costs management and improve its working capital cycle, which will strengthen its balance sheet and operating cash flow. ”

The prevailing global economic uncertainties and concerns over European sovereign debt crisis are expected to impact demand for technology products. This impact is further exacerbated by the severe flooding in Thailand since October.

Given the above and barring unforeseen circumstances, ECS' Directors expect that the Group will continue to remain profitable in 4Q 2011.

###end of release###

Important – This press release is to be read in conjunction with the Company's exchange filing of 3Q 2011 results announcement, which can be downloaded from www.sgx.com via listed company announcements.

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 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>