

Press Release – FY2011 Results

**ECS' FY2011 ANNOUNCES NET PROFIT OF
S\$39.2M ON REVENUE OF S\$3.61 BILLION;
DELIVERS STRONG OPERATING CASH FLOW**

- **FY2011 revenue rose 16.9% to S\$3.61 billion from S\$3.09 billion on higher Distribution sales in North Asia**
- **4Q11 operating cash flow sharply higher at \$128.6M from \$21.3M in 4Q10; cash and bank balances at \$131.4M**
- **Net gearing ratio improved to 0.34 times from 0.45 times, a year earlier**
- **Outlook: Directors expect ECS to remain profitable in FY2012**

Singapore, 27 February 2012 – ECS Holdings Limited (“ECS” or the “Group”) announced today that revenue for the twelve months ended 31 December 2011 (“FY2011”) rose 16.9% to S\$3.61 billion, from S\$3.09 billion a year earlier.

The Singapore Exchange Mainboard-listed leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names attributed the growth in revenue for FY2011 to the 38.1% growth in the Distribution segment, driven by higher sales of media tablets, desktops, imaging devices and consumer printers.

Based on geographical segments, revenue for North Asia – the major contributor – increased 30.9% to S\$2.33 billion from S\$1.78 billion a year earlier.

The Group’s gross profit increased by 7.9% to S\$167.3 million from S\$155.1 million a year ago, mainly due to the revenue growth of S\$521.8 million. Gross margin was lower at 4.6% as compared to 5.0% in FY2010 due to change in product mix with higher volume of lower-margin distribution sales. This was further reduced by higher provisions for stock obsolescence and lower early payment discounts and rebates.

ECS’ FY2011 net profit declined 26.0% to S\$39.2 million from S\$53.0 million in FY2010 which included a one-off exceptional gain of S\$12.6 million from the disposal/dilution of a 20%-stake in ECS’ Malaysian subsidiary for listing it on Bursa Malaysia in April 2010, and higher finance costs from increased bank borrowings and higher interest rates, particularly in China. Excluding the exceptional gain, the Group’s FY2011 net profit reflects a decrease of 2.8% compared to FY2010.

The Group’s 4Q11 revenue grew 10.0% to S\$924.5 million from S\$840.5 million in 4Q10, mainly due to higher sales of media tablets and desktops in Distribution

segment which rose 35.4% year-on-year. Geographically, North Asia remained ECS' largest revenue driver at S\$617.5 million in 4Q11 (4Q10: S\$536.6 million).

The Group's 4Q11 net profit declined 38.5% to S\$9.0 million from S\$14.7 million in 4Q10, mainly due to the lower gross margin of 4.5% compared to 5.4%, respectively, in line with the change in product mix to lower margin Distribution sales. This was also affected by higher finance costs of S\$4.1 million compared to S\$3.1 million, respectively.

Operating cash flow improved sharply to S\$128.6 million compared to \$21.3 million in 4Q10 mainly due to tighter credit control and cash cycles which improved the working capital position. Cash and bank balances stood at \$131.4 million as at 31 December 2011, lowering the net gearing to 0.34 times from 0.45 times a year earlier.

Earnings per share ("EPS") was 10.74 cents in FY2011 from 14.51 cents in FY2010 while net asset value ("NAV") per share increased to 89.37 cents as at 31 December 2011 from 81.18 cents as at 31 December 2010. The Group has proposed a first and final dividend of 2.2 cents per share.

Commenting on the Group's FY2011 performance, Mr. Narong Intanate, Group CEO of ECS, said, "Despite the challenging economic environment in the second half of 2011, the Group has managed to deliver on its commitment to improve operating cost efficiencies and working capital cycle."

On the outlook, Mr Intanate added, "The prevailing global economic uncertainties, concerns over European sovereign debt crisis and the impact of Thailand's flood on hard disk drive production are expected to impact spending for technology products. Going forward, the Group will focus on growing its share of higher margin Enterprise Systems business. At the same time, the Group will continue to focus on operating costs management and improve its working capital cycle."

Given the above and barring unforeseen circumstances, the Directors expect that the Group will continue to remain profitable in FY2012.

###end of release###

Important – This press release is to be read in conjunction with the Company's exchange filing of 4Q 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 42 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>