

*Press Release – 1Q12 Results*

## **ECS' 1Q12 ANNOUNCES NET PROFIT OF \$6.2M ON REVENUE OF \$901.6M**

- **1Q12 revenue rose 7.1% to S\$901.6 million, driven by increased sales of phone devices, media tablets and desktops**
- **1Q12 North Asia sales up 9.9% vs. 2.2% for South East Asia**

**Singapore, 14 May 2012 – ECS Holdings Limited** (“ECS” or the “Group”) announced today that its revenue for the three months ended 31 March 2012 (“1Q12”) rose 7.1% to \$901.6 million from \$841.9 million in 1Q11, mainly due to growth of the Distribution segment in North Asia, its major regional contributor.

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 1Q12 to the 16.3% growth in the Distribution segment, driven by increased sales of phone devices, media tablets and desktops.

North Asia’s 1Q12 revenue grew 9.9% to \$591.1 million from \$538.0 million a year earlier on stronger sales of phone devices, tablet and desktop PCs, while South East Asia’s revenue rose 2.2% to \$310.5 million from \$303.9 million, respectively, mainly from improved sales of notebooks in Thailand as well as servers and storage products in Singapore.

The Group’s gross profit decreased by 14.9% to S\$36.3 million from S\$42.7 million in 1Q11 as gross profit margin declined to 4.0% from 5.1% in 1Q11 as it recorded more sales for lower-margin products from Distribution segment even as revenues from higher-margin Enterprise Systems segment declined. Gross profit was also affected by intense competition among consumer notebook and tablet brands, and lower early payment discounts and rebates earned in the current quarter.

ECS’ 1Q12 net profit declined 41.0% to \$6.2 million compared to \$10.4 million over the same period last year, mainly due to lower gross profit from change in sales mix as lower-margin Distribution sales accounted for 74.5% of Group revenue in 1Q12 compared to 68.6% in 1Q11.

However, the percentage of operating expenses of revenue reduced to 3.2% in 1Q12 from 3.4% in 1Q11 due to better operational efficiencies within the Group and lowering of finance costs by 17.3% to \$2.1 million from \$2.6 million, respectively, due to lower bank borrowings and improved working capital management.

Earnings per share (“EPS”) decreased to 1.69 cents in 1Q12 from 2.86 cents in 1Q11 while net asset value (“NAV”) per share improved to 89.92 cents as at 31 March 2012 from 83.27 cents as at 31 March 2011.

Commenting on the Group's 1Q12 performance, Mr Narong Intanate, Group CEO of ECS, said, "The uncertainties arising from the economic situation in the Eurozone, pace of recovery in the United States of America, moderating growth from China and intense competition in the ICT industry continue to affect the performance of the Group's businesses. In addition, the transformation brought about by huge demand in consumer PC and mobility devices, which tend to have lower margins, have impacted the margins of the Group."

On the outlook, Mr Intanate added, "Going forward, the Group will continue to focus on its strategy to grow its share of higher-margin Enterprise Systems business; broaden its range of distribution products and services; and improve operational and cost efficiencies."

In light of the above and barring unforeseen circumstances, the Group expects that it will remain profitable in 2Q 2012 and FY2012.

###end of release###

***Important – This press release is to be read in conjunction with the Company's exchange filing of 1Q 2012 results announcement, which can be downloaded from [www.sgx.com](http://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 66 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>