

Press Release – 2Q 2010 Results

ECS Group's 2Q 2010 net profit jumps 73.4% to \$15.5 million led by strong one-time gain on equity dilution and disposal in Malaysian associate, ECS ICT

- **2Q 2010 net profit margin increased to 2.3% in 2Q 2010 v/s 1.2% in 2Q 2009**
- **1H 2010 net profit also higher by 55.1% to \$24.6m as compared to \$15.9m for 1H 2009**
- **Excluding the effects of deconsolidation of ECS ICT and currency translation, 2Q 2010 revenue would have grown by 10.3% year-on-year**
- **Outlook: Improving economic environment and positive outlook in the region, the Directors expect that the Group will continue to perform well in FY 2010**

Singapore, 13 August 2010 – ECS Holdings Limited (“ECS” or the “Group”) announced today a 73.4% surge in the net profit after tax and minority interests (“net profit”) for the second quarter ended 30 June 2010 (“2Q 2010”), lifted by a one-time gain from the dilution and partial disposal of a 20%-stake in its Malaysian subsidiary in conjunction with the latter’s listing on the Main Market of Bursa Malaysia Securities Berhad.

The leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names said the bottom-line for 2010 rose to \$15.5 million, following the dilution and disposal of shares in ECS ICT Berhad (“ECS ICT”), which was listed on Bursa Malaysia Securities Berhad on 15 April 2010.

Following the sale of shares and the IPO, ECS ICT – in which ECS now holds 41% equity stake – has ceased to be a subsidiary of Singapore-headquartered ECS.

Reflecting the deconsolidation since April 2010, ECS’ revenue for 2Q 2010 declined 11.3% to \$673.1 million from \$758.8 million in 2Q 2009 due to the deconsolidation of ECS ICT.

Without the deconsolidation and excluding currency translation effects, revenue in the last quarter would have grown 10.3% year-on-year, mainly contributed by higher sales of printers in the Distribution segment, and higher corporate spending on networking products in the Enterprise Systems segment.

Accordingly, net profit for 2Q 2010 also soared 73.4% to \$15.5 million from \$8.9 million for 2Q 2009.

Significantly, in 2Q 2010, the Group stepped up its expansion especially into Indonesia and China and finance costs increased to \$2.0m in 2Q 2010 from \$0.7m in 2Q 2009 mainly as a result of increased bank borrowings.

For the six months ended 30 June 2010 ("1H 2010"), the Group's revenue increased slightly by 2% to \$1.5 billion while net profit increased by 55.1% to \$24.6 million.

Net gearing has been increased to 0.60 times as at 30 June 2010 from 0.48 times as at 31 December 2009.

Earnings per share ("EPS") rose to 4.25 cents in 2Q 2010 from 2.45 cents in 2Q 2009; 1H 2010 EPS rose to 6.73 cents from 4.34 cents in 1H 2009.

As at 30 June 2010, net asset value per share NAV stood at 75.23 cents compared to 71.03 cents a year earlier. Cash and cash equivalents rose to \$46.5 million from \$38.5 million over the same period.

Mr. Narong Intanate, Group CEO of ECS, said, "Our 2Q 2010 results have benefited from the value unlocked from the disposal of shares in ECS ICT. The proceeds from the disposal have significantly strengthened our financial position. As the economic environment improves in regional markets, we are well-positioned to expand business opportunities."

In view of the improving economic environment and positive outlook in the region, the Directors expect that the Group will continue to perform well in FY 2010.

According to recent reports by technology analyst, Gartner, Inc., worldwide IT spending is forecast to total \$3.350 trillion in 2010, 3.9% higher than 2009.

ECS has been expending efforts in second- and third-tier Indonesian cities which have the highest ICT sales growth in the Asia Pacific in 2010 due to rapid improvement in purchasing power and low prevailing penetration rates of ICT products. At a time of higher Internet adoption, Indonesia's ICT market still has much room for expansion.

Accordingly the Group expects Indonesia to emerge as its fastest growing market in South East Asia over the next few quarters while ECS will continue to selectively expand its presence in Singapore, Malaysia, Thailand and the Philippines.

Likewise ECS is continuing to consolidate its penetration into China which is its single largest market to leverage on the anticipated moderate growth consistent with the country's macroeconomic situation forecast.



Important --This press release is to be read in conjunction with the Company's exchange filing of 2Q/1H2010 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:

Media & Investor Contact Information:

WeR1 Consultants Pte Ltd
29 Scotts Road, Singapore 228224
Tel: (65) 6737 4844; After-hours: (65) 98140507
Reshma Jain
reshma@wer1.net

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 38 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>