

IT distributor ECS eyes US\$50m from TDR listing

SINGAPORE - Singapore-listed ECS Holdings, which recently clinched nation-wide distribution rights for Apple's iPad and iPhone in China, hopes to raise gross proceeds of around US\$50 million from the listing of its Taiwan Depository Receipts.

The firm is in the process of submitting documents to Taiwan's regulator and aims to make its debut on the Taiwan Stock Exchange in the first half of 2011, group CEO Narong Intanate told Reuters in an interview.

He said the company hopes to fetch a better valuation in Taiwan, adding ECS was trading at an estimated 2010 price-earnings ratio of 5 times in Singapore, compared to rival Synnex which trades at 16-18 times in Taiwan.

'In Taiwan's stock market, majority are technology stocks, so Taiwan investors do understand technology companies well including distribution business,' Intanate said.

ECS also sees annual double-digit growth in its revenue for the next four years in line with rising IT spending in its key markets.

Currently China makes up 45 per cent of ECS' revenue.

Thailand and Malaysia contribute 15-16 per cent each, while Philippines, Indonesia and Singapore individually accounts for around 8 per cent, he said. -- REUTERS