



ECS expands geographical coverage with S\$4m Philippine acquisition

- **Strengthens position as leading Asian ICT distributor**
- **Better supports key vendors**
- **Expects positive contribution to 2006 earnings**

SINGAPORE, 4 January 2006 – Mainboard-listed ECS Holdings Limited (“ECS”), a leading information and communications technology (“ICT”) and service provider in Asia, announced today that it will buy 50% less one share of the entire share capital of MSI-Digiland Philippines (“MSI”) for S\$3.7 million.

MSI, one of the Top 2 ICT distributors in the Philippines, is known for its innovative and reliable computing solutions. Since its inception in 1998, it has expanded rapidly to offer an extensive array of solutions, including systems, peripherals, network, communications, multimedia, printing, and digital imaging. It is the top distributor in the Philippines for leading brands such as HP, IBM, Lenovo, Samsung, Acer, NEC and Oracle.

The acquisition is expected to strengthen ECS’ position as a leading Asian ICT distributor by expanding its already extensive network of 14,500 channel partners with 29 offices in five countries – China, Indonesia, Thailand, Malaysia, and Singapore – into the Philippines. For the fiscal year ended 30 June 2005, MSI reported revenue of about S\$85 million. Post-acquisition, MSI will be renamed MSI-ECS Phils., Inc. The acquisition will be funded by internal resources.

ECS’s Group Chief Executive Officer Tay Eng Hoe said: “With this acquisition, we can better serve our customers, especially MNCs with a regional presence. The broader geographical footprint also enables ECS to provide pan-Asian support to key vendors.

“The Philippines’ ICT market is poised for good growth this year. We are upbeat on the demand outlook and expect MSI to contribute positively to the 2006’s earnings. ECS

remains committed to enhancing revenue yield and returns through strategic expansion of our geographical coverage with the right partners.”

Before the ECS acquisition, the MSI's local owner-managers completed a 100% management buyout of the company. ECS was granted a call option within three years to buy another 309,707 shares for S\$0.7 million six months after the Option Agreement date to raise its MSI stake to 60%.

About ECS Holdings Ltd

ECS Holdings Ltd, founded in 1985, is one of the top three information & communications technology (“ICT”) product and services providers in the Asia Pacific. The Group has an extensive network of over 14,500 channel partners with 29 offices in five countries – China, Indonesia, Thailand, Malaysia, and Singapore.

The Group's three main businesses are Enterprise Systems, ICT Services, and Distribution. Enterprise Systems provides enterprise systems tools for ICT Infrastructure. IT Services offers design and implementation for ICT infrastructure. To enable end-to-end integration, it also offers training, maintenance, and support services. ECS represents leading IT vendors such as Sun Microsystems, Hewlett-Packard, IBM, Oracle, BEA, CheckPoint, and Veritas.

About MSI-Digiland Philippines

MSI is one of the top 2 ICT distributors in Philippines. It won the top distributor award in the Philippines from leading vendors such as HP, IBM, Samsung, Oracle, and EMC. Incorporated in 1998, MSI has forged formidable alliances with leading brands such as Acer, EMC, Emerson, Genius, HP, Huawei-3Com, IBM, Imation, Lenovo, NEC, Oracle, Samsung, SMC, SONY, Symantec-Veritas, Trend Micro and Western-Digital.

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