

**Press Release – 8 August 2007**

**HKSE-LISTED VST HOLDINGS LIMITED, A LEADING ICT PRODUCTS & COMPONENTS DISTRIBUTOR IN THE PRC MARKETS, ACQUIRES 52.5% STAKE IN ECS' CAPITAL FOR S\$128 MILLION IN CASH;**

**CREATING A FORMIDABLE, FULL-RANGE ASIAN ICT MNC DISTRIBUTOR WITH COMBINED SALES OF OVER S\$3 BILLION AND NET PROFIT EXCEEDING S\$50 MILLION\*; DISTRIBUTING ICT PRODUCTS FROM COMPONENTS TO DIGITAL CONSUMER PRODUCTS AND ENTERPRISE SYSTEMS;**

**TO RANK AS TOP 3 ICT DISTRIBUTOR IN ASIA-PACIFIC**

- **Change in controlling shareholders but status quo at ECS' top management**
- **Continuity and stability of ECS' modus operandi and commitments to global IT brand principals, strategic partners and over 18,000 regional channel partners**
- **ECS' key management and founders, namely Group CEO Tay Eng Hoe, Narong Intanate, Foo Sen Chin, and Foong Kam Tho to remain at the helm of ECS Group;**
- **Of several suitors, VST's strong upstream component distribution business and market-leading position in China form the perfect fit with ECS' downstream regional distribution of completed end-user ICT products; offering enhanced potential for new growth areas and maximum value creation**
- **ECS to continue pursuing its two-pronged strategy of selectively growing distribution portfolio and expanding market coverage within China and beyond South-east Asia, including Vietnam and India;**
- **Additionally, ECS can jumpstart its extension upstream to components distribution in its existing markets, launching a new dimension of growth**

*\* based on proforma sales and net profit figures for FY ended March 2007, assuming ECS becomes VST's subsidiary upon completion*

- **All-cash deal done at 0.668 Singapore dollar a share**
- **Deal completion to trigger mandatory general offer by VST to acquire remaining ECS shares**
- **VST intends to keep ECS' listing on Singapore Exchange, to facilitate access to capital markets and support ECS' continuing expansion**

**Singapore, 8<sup>th</sup> August 2007** – Singapore Exchange Mainboard-listed **ECS Holdings Limited** (“ECS” or the “Group”), a leading regional Info-Comm Technology (“ICT”) solutions provider representing best-of-class global brand names, with 33 offices in six countries -China, Thailand, Malaysia, Singapore, Indonesia, and the Philippines; announced today a collective Conditional Sales and Purchase Agreement (“SPA”) signed between Hong Kong Stock Exchange-listed VST Holdings Limited (“VST”) and certain substantial shareholders of ECS (“the Vendors”).

The SPA entailed a total of 191,604,009 sale shares representing approximately 52.5% stake in the capital of ECS and thus, result in a change of ECS' controlling shareholders to VST, with ECS becoming its subsidiary upon completion of the SPA.

Notwithstanding this change in substantial shareholders, business-wise there will be no change in the leadership of ECS Group after the completion of the SPA.

The Group's proven top management, namely Mr Tay Eng Hoe, who is also Group CEO; Mr Narong Intanate, Mr Foo Sen Chin and Mr Foong Kam Tho, will continue to prevail at the helm, as well as steer their respective country operations in Singapore, Thailand, Malaysia and the PRC.

As such, the continuity and stability of ECS's modus operandi and partner commitments will be ensured going forward – it will be business as usual, with respect to the Group's portfolio of global IT brand owners / principals, strategic partners, over 18,000 regional channel partners, as well as its 2,000-strong employee base across the region.

Co-founded in 1991 by Chairman and CEO, Mr Li Jialin, VST has become a leading distributor of computer and peripheral products and other information technology products of well-known brands to the People's Republic of China's rapidly-growing powerhouse markets.

Key products include hard disk drives, CPUs, and PC motherboard products; storage devices and other digital media products, etc. VST has established solid long-term

partnerships with internationally renowned IT giants such as Seagate, AMD, Supermicro, Western Digital, Lexar, Corsair, AsRock and Patriot, etc.

In order for VST to have a controlling stake in ECS, the Vendors, which include ECS' single largest shareholder, ST Electronics (Info-Software Systems) Pte Ltd, as well as Mr Tay Eng Hoe, Mr Liu Wei, Mr Narong Intanate, Mr Foo Sen Chin, Mr Foong Kam Tho, Mr Lin Chien and Glorious Success Pte Ltd, had to commit to selling their respective entire ECS shareholdings during negotiations so as to enable VST to achieve its objective.

Commenting on the background of the sale on behalf of the participating substantial shareholders, Mr Tay Eng Hoe said, "Reflecting the strong results by the Group within the last two years and bullish market forecasts on ICT spending in the region, we have received serious offers from various suitors. These included private equity funds and very large foreign ICT distribution companies, who value our brand portfolio, management team and established regional network across six countries."

"It has been a challenging process for us in evaluating the merits of each proposal as the final short-listed suitors are strong players in their domains. We took great pains to consider all aspects and thoroughly drill through the future plans of our suitor companies and their specific intentions for ECS post-acquisition, as we had to consider the business interests of our top ICT brand principals and strategic partners, who have been strongly supporting ECS since our early days," added Mr Tay.

"In the end, we were won over by the perfect fit between VST's strong 'upstream' ICT component distribution portfolio with solid brand names and market-leading positions in the fast growing China market, and ECS' strengths in downstream distribution of ICT products, enterprise systems and networking products."

"The prospect of creating a formidable, full-range ICT Asian multi-national distributor group with sizeable combined resources and ability to be the potential clear leader in the Asia-Pacific region, inspired all of us to go with VST," enthused Mr Tay. "ECS can now include components distribution in our existing markets, thus launching a new growth dimension for the Group."

"More importantly, the business philosophy and pro-employee mindset of VST and Mr Li closely mirror principles held dear by ECS. We firmly believe in unlocking the full potential of this new partnership with VST – after all, ECS was founded on the combined strengths of several ICT companies in different countries who came together to form ECS Holdings which has achieved remarkable success over the years."

Commenting on ECS as his optimum choice, Mr Li, Chairman, CEO and co-founder of VST, said. “To launch our expansion into the next era of growth, we have been actively seeking appropriate complementary partners for some time now. Ideally, there should be limited duplication of operations so that we can immediately focus management time and energies to tapping new synergies and capturing new potential markets, instead of being distracted by efforts to streamline both operations to minimise wastage.

Thus, ECS fits our criteria across all aspects, while ECS Group CEO Mr Tay and I share similar outlook and business principles. I gladly extend a warm welcome to all members of the ECS Group and am truly pleased that the top management of ECS are staying on. The in-depth experience and goodwill enjoyed by ECS management team in the regional markets they operate in will help VST to harness the tremendous potential of our alliance,” added Mr Li.

VST will effectively gain a talent pool and extensive distribution footprint in the Asia Pacific region, bolstering its segment strengths and existing networks in its prime China market. In particular, ECS’ network will accelerate VST’s intended penetration into the southern regions of pan-Asia.

“We expect to create synergies due to the significant economies of scale and sharing of costs and are confident that our investment in ECS will enhance VST’s overall relationships and support from key customers. Together with ECS, we will be able to jointly penetrate previously untapped high-growth markets like India and Vietnam on a stronger footing,” concluded Mr Li.

Upon completion, VST will have to make a mandatory general offer for the remaining ECS shares. “It is VST’s intention to keep ECS’ listing on the Singapore Exchange. ECS’ accumulated goodwill and corporate transparency track record as a listed company would be invaluable in facilitating access to capital markets in Singapore, which will support the continuing expansion of ECS, of which VST is fully committed to pursue.” said Mr Li.

Completion of the SPA, expected to be in October 2007, will trigger a mandatory general offer by VST through its financial adviser in Singapore, ABN AMRO Bank N.V., Singapore branch, to acquire the remaining ECS ordinary shares.

###end of release###

*This press release is intended to be read in conjunction with the other announcements made by the Company pertaining to the abovementioned Sales & Purchase Agreement, including the corresponding filings by VST Holdings Limited to HKSE. These documents can be downloaded from the Singapore Exchange official website, via <http://www.sgx.com>, drop-down menu ‘Listed Companies’, ‘Announcements’ and alphabetically to ‘ECS Holdings Limited’.*

*Issued on behalf of the Company by WeR1 Consultants Pte Ltd:*

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**About ECS Holdings Limited (<http://www.ecs.com.sg>)**

*Listed on the Main-board of the Singapore Exchange since 2001, ECS Holdings Limited (“ECS”) is a leading ICT products and services provider, serving and supporting a wide, regional customer base. The Group has 33 offices in six countries namely China, Thailand, Malaysia, Singapore, Indonesia and the Philippines.*

*The Group’s three main businesses are Enterprise Systems, IT Services and Distribution. Its 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 18,000 channel partners in the region to distribute their products. The Group has a consistent profit track and a management that is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.*

**About VST Holdings Limited (<http://www.vst.com.hk>)**

*Established in 1991, VST is one of the leading distributors of IT products in China, specializing in the distribution of worldwide famous IT products and related components including Hard Disk Drive, CPU, PC motherboard, storage devices and other digital media products. The Group has solid and long-term partnerships with internationally renowned IT giants such as Seagate, AMD, Supermicro, Maxtor, Lexar, Corsair, Western Digital, AsRock and Patriot, etc.*

**Bio of VST’s Chairman & CEO – LI Jialin**

*Mr. LI Jialin, aged 45, is one of the founders and directors of the Group and is the Company’s Chairman and Chief Executive Officer and an Executive Director. Mr. Li is also the Director of VST Group Limited (BVI) and VST Computers (H.K.) Limited. He is responsible for the overall management and strategic positioning of the Group. Mr. Li graduated from Qinghua University of the People’s Republic of China with a Degree of Bachelor of Engineering in 1983 and a Master Degree in Management Engineering in 1986.*