Press Release – FY2007 Results

ECS Continues to Deliver Robust Earnings Growth in FY2007 on Higher Revenues boosting Net Profit to $23.4M

- **Revenue expanded 19.2% year-on-year to $2.8 billion as key markets continuing to record double-digit sales growth**
- **ECS' single-largest geographical market, China, continues to generate strong revenue and PBIT growth in FY2007**
- **4Q operating profit surges 26.7% on sustained strong demand for notebooks and consumer desktops, leading to 17.6% revenue growth and rising gross margin from 5.1% to 5.5%**
- **VST's mandatory general offer successfully completed**
- **Key management team, vendors and customers largely intact**
- **Group remains optimistic of its performance in FY2008**
- **Steps to maintain listing of ECS shares on SGX is in progress**

Singapore, 27 February 2008 – SGX-Mainboard listed ECS Holdings Limited ("ECS" or the "Group"; Reuters ticker E18.SI), a leading regional Info-Comm Technology ("ICT") solutions provider representing best-of-class global ICT brand names, announced today that the Group has generated commendable earnings growth throughout the financial year ended 31 December 2007 ("FY2007").

Net profit for FY2007 grew by a robust 16.5% year-on-year to $23.4 million from $20.1 million as the Group's three main business segments – Distribution, Enterprise Systems and IT Services – together delivered 19.2% expansion in Group revenue to $2.8 billion from $2.3 billion in FY2006.

Buoyed by higher revenues, gross profit jumped 18.5% to $134.3 million while maintaining gross margin at 4.8%. With improved operational and working capital management efficiencies, operating profit significantly increased 26.7% to $42.5 million and operating margin rose to 1.5% with slight improvement in net margin.

Commenting on the Group's results, Mr Tay Eng Hoe, ECS' Group CEO, said, "We are delighted to record another good performance this year. Notably, we accomplished a 50% improvement in profitability in our China operations, our single largest market. The results underscored our strong commitment and ability to harness the favourable ICT spending trends in the regional industry to deliver the fruits of our margin enhancement strategy over the last three years."

"We are particularly pleased with our broad-based market performance in 4Q, which augurs positively for our prospects through FY2008. Had it not been for the one-off costs incurred in relation to the general offer made by VST Holdings in 4Q, we would have posted a stronger growth in net profit and thus extended our trend of net profit growth outpacing revenue growth," explained Mr. Tay.

4Q revenue grew 17.6% to $724.9 million as the Group's Distribution segment rode on the sustained strong demand in consumer desktops and notebooks, while Enterprise Systems segment enjoyed stronger growth in enterprise software, server and networking products.

Star-performing markets, mainly China and Malaysia, did well in 4Q mainly driven by strong growth in notebooks and networking products. China market registered strong 18.5% revenue growth as more consumers are able to embrace mobile computing with rising affluence.

As such, gross margin improved from 5.1% in 4Q 2006 to 5.5% in 4Q 2007, lifted by better margin mix contributed by enterprise systems products. PBIT improved 24.6% to $12.1 million, however, the Group incurred one-off costs in 4Q, mainly arising from the Group's compliance on requirements relating to the mandatory general offer, which lowered 4Q net profit growth to 10.8%.

In accordance with the Group results, earnings per share ("EPS") jumped to 6.40 cents in FY2007 from 5.51 cents in FY2006, while net asset value per share strengthened to 58.20 cents as at 31 December 2007 from 52.27 cents a year ago.

On outlook for ECS in FY2008, Mr Tay opined, "We remain optimistic of continuing strong performance in our key markets. Our outlook is that some companies may adopt a more cautious stance in the immediate term, pending clearer visibility on the fallout from the subprime mortgage crisis on the other sectors of the US economy. Nevertheless, we believe that the anticipated uptrend in ICT spending in the region will still prevail, underpinned by continuing economic developments and growth in the region."

On 31 December 2007, Mr David Li Jialin, VST's Chairman and CEO, assumed his new appointment as Non-Executive Chairman of ECS' new board of directors.

On VST's plans for ECS going forward, Mr Li said, "With the General Offer for ECS shares completed, Mr Tay and I have focused our full attention to mapping out our overarching strategy and tactical framework towards creating a full range Asian ICT MNC distribution giant. This was what I had envisioned for VST and ECS when we first approached Mr Tay to combine resources and strengths."

VST, whose key products include hard disk drives, CPUs and PC motherboard products; storage devices and other digital media products, has established strong upstream ICT component distribution portfolio with solid brand names and market leading positions in the fast-growing China market. Thus, VST forms a perfect fit for ECS' current downstream distribution of ICT products, enterprise systems and networking products.

"Our combined sales stand at over S$3.5 billion with net profit exceeding S$50 million. We now rank amongst the top 3 ICT distributors in the Asia Pacific, distributing ICT products from components to digital consumer products and enterprise systems. We are laying a pipeline of strategic and operational initiatives aimed at unlocking the full potential of this win-win union for a new paradigm of growth, commencing with the pursuit of new markets in India and Vietnam.

Concurrently, we are also taking steps to maintain the listing of ECS shares on SGX, which will enable us to ride on ECS' established credibility and profile within the global ICT industry and Singapore's well-developed capital markets," said Mr Li.

In conclusion, Mr Tay, who was also appointed as VST's Executive Director effective 17 January 2008, highlighted, "With continuing strong support from our vendors and the synergies that arise from the merger with VST, we are now able to offer our customers a more extensive range of products and services and enhance our market coverage in this region."

###end of release###

Issued on behalf of the Company by WeR1 Consultants Pte Ltd

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About ECS Holdings Limited (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.

In August 2007, the Group's strategies acquired a new dimension when certain ECS substantial shareholders entered into a conditional sale & purchase agreement for the sale of 52.5% controlling stake in ECS to Hong Kong based and HKSE-listed VST Holdings, a leading distributor of IT components in China.

Representing a perfect union between ECS' downstream regional distribution of completed end-user ICT products and VST's strong upstream component distribution business and market leadership in China, the combined entity intends to be a leading full-range Asian ICT MNC distributor capable of expanding market coverage within China and beyond South-east Asia, including Vietnam and India.

The transaction which makes VST ECS' single largest shareholder was followed by a mandatory unconditional cash offer in December 2007 to all shareholders at the price of 64 cents per ordinary share. Accordingly, ECS' public free float went below 10% and thus, trading in the counter has been suspended since then in compliance with Listing Rule 723.