

Press Release – 1Q 2008 Results

ECS' 1Q 2008 NET PROFIT SOARS 34.8% TO AN ALL-TIME HIGH OF \$5.9M FOR SEASONALLY SLOWEST 1Q ON STRONGER SALES OF HIGHER MARGIN PRODUCTS; EXPECTS 1H 2008 PERFORMANCE WILL EXCEED 1H 2007

- Revenue up 16.6% to \$724.8 million on double-digit growth in Distribution and Enterprise segments, once again spearheaded by China and Malaysia
- Operating profit up 51.2% due to margin-enhancement strategy and improved operational efficiencies
- Outlook: Against the continued rosy regional ICT outlook, Group's key business initiatives gaining ground, anticipated synergies from VST deal; Directors expect 1H 2008 to be better than that of 1H 2007

Singapore, 9 May 2008 – ECS Holdings Limited ("ECS" or the "Group"), a leading regional Info-Comm Technology ("ICT") solutions provider representing best-of-class global brand names, announced today a sterling set of results, as its margin-enhancement strategy propelled it towards an all-time high net profit for any first quarter (January-March), which is its seasonally weakest.

Fuelled by stronger contributions by higher margin product sales and continued strong contributions from China and Malaysia, ECS expects that its performance for the six months ending 30 June 2008 ("1H 2008") will exceed that of 1H 2007.

Net profit for the first quarter ended 31 March 2008 ("1Q 2008") jumped 34.8% to \$5.9 million from \$4.4 million in 1Q 2007, its fastest acceleration year-on-year for any quarter in the last three years. Net profit growth was more than twice as the rate of growth in revenue, which rose 16.6% to \$724.8 million compared to \$621.5 million a year ago.

The strong bottom-line improvement was driven largely by double-digit growth delivered by higher margin product sales in both the Distribution and Enterprise segments.

This performance was spearheaded by the Group's operations in Malaysia and China which continued to successfully leverage on their strengthening alliances with key vendors. This was despite the first quarter being the seasonally slowest due to the extended Chinese New Year holidays in these two countries and other parts of Asia.

Total operating expenses as a percentage of revenue improved to 3.39% in 1Q 2008 from 3.50% in 1Q 2007 on stringent cost management and improved operational efficiencies.

Commenting on the Group's record 1Q 2008 growth, Mr. Tay Eng Hoe, Group CEO of ECS, said, "The focused strategies and sustained efficiencies which we put in place more than two years ago are keys to our continued good performance. Our business model is working well and the concerted execution of this has been our competitive edge which has allowed us to deliver a strong set of results even in our seasonally slowest quarter."

1Q 2008 net profit before interest and tax ("PBIT") soared 44.6% to \$12.1 million from \$8.3 million in 1Q 2007. Both the Distribution and Enterprise Systems segments performed well, with year-on-year PBIT growing faster than their respective revenue growth rates. In the Distribution segment, the PBIT growth was led by stronger sales of notebooks, desktop PCs and printers while in the Enterprise Systems segment, PBIT growth was driven by the continuing increase in sales of enterprise servers, software and networking products.

"As part of our strategy we have been progressively improving operating and financial efficiencies to build a strong balance sheet," Mr Tay said.

Basic earnings per share ("EPS") rose to 1.61 cents per ordinary share in 1Q 2008 from 1.20 cents in 1Q 2007 while NAV rose to 58.44 cents per ordinary share as at 31 March 2008 versus 58.20 cents as at 31 December 2007.

On a geographical basis, the Group registered strong revenue and PBIT growth in both North Asia and South East Asia with continued margin increases.

North Asia's 23.4% and 140.5% growth rates in revenue and PBIT, respectively, were broad-based across the Distribution and Enterprise Systems segments. South East Asia's 10.5% and 18.2% growth rates in revenue and PBIT, respectively, were driven mainly by robust growth in Malaysia.



“This performance shows that the ECS’ engine is well-oiled and the anticipated growth in the regional ICT industry continues to create many more opportunities for us,” continued Mr Tay.

According to a recent report by market research firm IDC, computer shipments in Asia-Pacific, excluding Japan, soared to 17 million units in the first three months of 2008.

Against this background, ECS believes that the recent acquisition of ECS by VST marks a significant turning point in ECS’ evolution as a full-spectrum Asian ICT MNC distributor.

ECS and VST have strengths in different geographies and product groups. In combining their strengths, ECS and VST have formed an enlarged ICT distribution chain with a leadership role in the region. Moving forward, the Group expects to unlock synergies and economies of scale and intends to leverage on this new dimension of its business strategy to take ECS into a new era of growth.

“Notwithstanding the developments of the past few months, we intend to carry on with our growth plans and, as a near-term priority, will work towards expanding market and channel coverage in Asia Pacific’s high-growth markets, add more product agencies to our portfolio and continue to seek higher margin products and services to enhance the group’s profitability,” concluded Mr Tay.

The Group is currently working towards a re-listing on the Singapore Exchange, given its intention to maintain its listing status which will enable the Group to access the capital markets on its established credibility and position in the ICT industry.

###end of release###

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) 67374844; After-hours: (65) 8200 9339

Mona Leong, Reshma Jain, Woo Joen Wai

monaleong@wer1.net; reshma@wer1.net; woojw@wer1.net



About ECS Holdings Limited:

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 its 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.

For more information, please log onto: <http://www.ecs.com.sg>