

Press Release – 2Q 2008 Results

**ECS 2Q 2008 NET PROFIT RISES 28.8% TO \$8.0M,
DRIVEN BY HIGHER-MARGIN STRATEGIES;
ON TRACK FOR BETTER YEAR-ON-YEAR 3Q
PERFORMANCE**

- Revenue up 9.0% to \$750.5 million on higher-margin sales of enterprise networking products, servers and softwares
- Consequently, gross margin rises to 5.39% vs 4.49% a year ago
- Operating profit up 37.1%; operating and net margins increased to 1.96% and 1.07% each
- Positive operating cashflow at \$31.9 million
- Outlook: Directors expect better year-on-year performance for 3Q 2008 and FY2008

Singapore, 8 August 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 that its net profit after tax and minority interest (“NPATMI”) rose 28.8% to \$8.0 million for the second quarter ended 30 June (“2Q 2008”) as net profit growth continued to outstrip revenue growth, driven by the Group’s ongoing margin-enhancement initiatives that were put in place almost three years ago.

At the same time, Singapore Exchange (“SGX”) Mainboard-listed ECS said net profit before interest and tax (“PBIT”) in 2Q 2008 surged 32.9% to \$14.4 million from \$10.8 million in the corresponding quarter a year ago, led by double-digit profitability growth as the Group consciously increased sales of higher-margin products.

Consequently, gross profit jumped 30.7% year-on-year to \$40.4 million in 2Q 2008 from \$31.0 million and gross profit margin also rose to 5.39% in 2Q 2008 from 4.49% a year ago.

Buoyed by an enhanced margin mix, the Group's operating profit in 2Q 2008 rose 37.1% to \$14.7 million compared to \$10.7 million a year ago. Operating margin increased to 1.96% from 1.56% and net margin to 1.07% from 0.9%.

During the period under review, the Group continued to remain primarily focused on bottom-line expansion.

Consequently, ECS' 2Q 2008 9.0% increase in revenue to \$750.5 million was achieved mainly on the back of strong sales of higher-margin products such as servers, networking products and enterprise software across all markets in North and South-East Asia and increased contribution from IT services in Singapore and Malaysia.

Commenting on the Group's 2Q 2008 performance, Mr. Tay Eng Hoe, Group CEO of ECS, said, "We are delighted with our results this quarter which have come out at the higher end of our expectations. Our core business continues to grow well, led by management's ability to successfully execute the higher-margin growth initiatives we put in place three years ago."

On a geographical market basis, North Asia led the growth in both revenue and profitability with a 9.6% growth in revenue and a 96.2% growth in PBIT against an ongoing buoyant ICT outlook albeit a small setback in Distribution sales due to reduced consumer spending following the May Sichuan earthquake.

Significantly, the strong 2Q 2008 performance propelled ECS to deliver a record net profit for the six months ended 30 June 2008 ("1H 2008") at \$13.9 million, on the back of a 12.6% increase in revenue to \$1.48 billion.

Earnings per share ("EPS") correspondingly rose to 2.20 cents per share in 2Q 2008 from 1.71 cents in 2Q 2007. On a half-year basis, EPS rose to 3.81 cents per share from 2.91 cents.

In 2Q 2008, the Group also recorded a positive operating cash flow of \$31.9 million from a negative cash flow in the corresponding period last year. As of 30 June 2008, ECS was in a strong cash balance position of \$41.3 million.

According to a December 2007 IDC forecast for 2008, the ICT market in Asia/Pacific excluding Japan is projected to reach US\$154 billion in 2008, a 10% rate of growth over 2007. Together, China and India will contribute close to half of the region's total IT spending



in 2008. At the same time, the combined IT spending in the ASEAN ICT market will exceed that of even India, and become an important market for ICT investment in 2008 and beyond.

Looking ahead, the Group's outlook for the regional markets where it has presence continues to be positive for the rest of 2008.

Against this background and barring unforeseen circumstances, the Directors are confident of better year-on-year performances in respect of 3Q 2008 and FY 2008.

###end of release###

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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>