

PRESS RELEASE

(Embargoed for release until after 17:15 hrs on 27 February 2004)

ECS POSTS STRONG RECOVERY IN Q4

SINGAPORE, 27 February 2004 – Mainboard listed ECS Holdings Ltd, the region's leading IT products distributor, today announced strong recovery in the 4th Quarter with a net profit after tax and minority interests of \$4.1 million and revenues of \$411.3 million. The Group revenues rose 9.3% to \$411.3 million from \$376.6 million in the 3rd quarter.

All subsidiaries in the region turned in strong sales performance and double-digit PBIT ("Profit Before Interest and Taxes") growth. In particular, China, which posted a loss of \$1.3 million in the previous quarter, demonstrated strong recovery delivering PBIT of \$2.9 million.

Business sentiments improved significantly in the final quarter of FY2003. Revenues across all countries were significantly higher and the operations in the region were all profitable. Having weathered a difficult 3rd Quarter, China's operations also turned around and, following a profitable 4th Quarter, it is now back on track with the rest of the Group's performance.

For FY 2003, the Group registered net profit after tax and minority interest of \$6.3 million and revenues of \$1.42 billion notwithstanding the tough economic conditions in the region.

As at the end of the 2003 financial year there was a significant improvement of \$20.7 million in the Group's Cash and Cash Equivalents from the previous year as a result of strong financial management. .

Commenting on the performance of ECS in FY2003, Mr Tay Eng Hoe, Group CEO said: "The resilience of ECS and its ability to remain profitable despite the many challenges in FY2003 is extremely encouraging. The strong performance in the 4th Quarter of the year has given us the confidence that our business strategy and regional resources are well-positioned to propel the Group into a new phase of growth."

Into the new financial year, the Group is confident that the improved economic sentiments in the region will lead to higher IT investments. ECS being in the mainstream of the IT industry distributing world-renowned products and services will benefit from the increase in IT expenditure. We are confident that all subsidiaries will deliver better performance. The latest joint venture with PT Harrisma, Indonesia will also contribute to the performance of the Group in FY2004.

“Overall FY 2004 will be a better year and the Group is confident that it will deliver better profits.” Said Mr Tay Eng Hoe.

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