

ECS HOLDINGS LTD

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## NEWS RELEASE

### **ECS STRENGTHENS ITS PRESENCE IN INDONESIA MARKET; APPOINTED AS MICROSOFT'S DISTRIBUTOR IN INDONESIA**

ECS Expects its Revenue in Indonesia to exceed US\$50 million

**SINGAPORE** - 22 June 2004 -- Mainboard-listed ECS Holdings Ltd, a leading IT products and services provider in Asia, today announced that its Indonesian subsidiary, PT ECS Indo, has been appointed by Microsoft as its distributor in Indonesia. This appointment is projected to have a positive impact on ECS' future earnings and will boost ECS' leadership in the IT distribution market across Asia.

Global research firm IDC issued a report in February this year that "IT spending in Indonesia is valued at US\$1.4 billion in 2003, representing 0.83% of the total Asia/Pacific IT spending market. While IT spending in Indonesia is one of the smallest in the region, its annual growth rate in 2003 is the largest in Asia/Pacific with almost 21% in comparison to region's growth of 6%".

Indonesia is also Microsoft's strongest growth market in Southeast Asia this year. ECS expects its revenue in Indonesia to exceed US\$50 million.

The new appointment also means PT ECS Indo will be one of the four distributors of the US giant's in Indonesia. PT ECS Indo will distribute a wide range of Microsoft software products.

"The end-user's knowledge of technology in Indonesia is generally up-to-date, despite the low-level of IT adoption here. Indonesia holds huge potential for growth, especially for software products and services," said Mr. Tantri Bisono, President Director for PT ECS Indo. "It has always been ECS' mission to provide the best for our customers through extensive experience and broad knowledge of IT products. Microsoft's world-class products and our existing wide range of IT hardware and services capabilities make us a total solutions computer distributor in Indonesia. With our strengths in the distribution channel, we look forward to the success of our relationship with Microsoft."

Mr. Tantri also explained why ECS was awarded the prestigious new business: "Software giants usually select more than one distributor to ensure better market coverage and this is precisely what we can offer Microsoft as well as our existing and potential solution partners. We provide a comprehensive network of more than 1500 resellers and partners across eight cities in Indonesia. This extensive reach is beyond the current coverage in Indonesia."

Commenting on the partnership, Ms. Megawaty Khie, Director of PT Microsoft Indonesia, said, "ECS is a strong and proven player in the distribution and IT value

chain market and we are confident that their expertise and experience will help us extend our leading offerings in Indonesia. We look forward to working closely with ECS Indo to deliver more value-added services to our partners and customers."

With this addition in Indonesia, the ECS Group now holds Microsoft distribution rights in four countries. The other three countries are China, Malaysia and Thailand.

ECS' Group product distribution business increased significantly by 57.9% to S\$245.6 million in Q1 FY04 compared with S\$155.5 million in Q1 FY03 and Mr. Tay Eng Hoe, Group CEO for ECS Holdings Limited, the parent company of ECS Indonesia, hopes to grow this further.

"There are more opportunities for growth and we can take advantage of it given that we are a financially strong and an established IT distributor with a solid infrastructure and service arm. Our partnership with Microsoft is a significant development for our continued growth in Indonesia. We are moving in the right direction and we are excited to continue to offer a wide range of leading products and technologies to help businesses sustain their competitive advantage through rapid implementation and deployment of technology, information and services," Mr. Tay added.

ECS posted a 128.8% surge in net profit after tax and minority interests to S\$2.1 million for the first quarter ended 31 March 2004 compared to the corresponding period in FY03. Group revenue for the first quarter also rose by 33.9% to S\$389.1 million. ECS Indonesia, which joined the Group in January FY04, contributed S\$13.6 million to the Group's revenue.

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### About ECS Holdings Ltd

ECS Holdings Limited is the holding company of a group of five subsidiary companies comprising ECS Computers (Asia) Pte Ltd in Singapore, ECS Technology (China) Limited in China, ECS Kush Sdn Bhd in Malaysia, The Value Systems Co., in Thailand and ECS Indo in Indonesia. The Group is a leading IT products and services provider, serving and supporting Asia's growing IT infrastructure and rising base of IT users. ECS is listed on the mainboard of the Singapore Exchange Securities Trading Limited.

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