

ECS HOLDINGS LIMITED

Blk 19 Kallang Avenue #06-151 Singapore 339410 TEL (65) 6299 9433 FAX (65) 6298 3629 www.ecs.com.sg

NEWS RELEASE

ECS HOLDINGS LIMITED ACHIEVES 75.2% GROWTH IN PROFIT FOR FIRST HALF FY04

- **GROUP REVENUE ROSE 31.7%**

SINGAPORE - 5 August 2004 - Mainboard listed ECS Holdings Limited, a leading IT products and services provider, today announced a 75.2% surge in net profit after tax and minority interests to S\$5.4 million for the first half ended 30 June 2004 compared to the corresponding period in FY03. Group revenue for the first half also rose by 31.7% to S\$836.3 million. Earnings per share was 75.6% higher at 1.51 Singapore cents.

This impressive performance is attributed mainly to the overall good performance of all business segments in all countries. Our extensive market network of more than 13,000 resellers and partners in the region coupled with good support from our principals and customers enabled ECS to gain recognition and secure leadership position as a preferred vendor.

This outstanding first half performance is also the result of the new joint-venture in Indonesia which contributed positively to the growth.

Mr. Tay Eng Hoe, Group CEO for ECS Holdings Limited, said "Our ability to outperform Q2 FY03 as well as Q1 FY04 attests to our strong, experienced management team, the dedication of all our employees and the opportunity given to us by our principals which allowed us to provide a wide range of products and services to our customers."

The Group experienced revenue growth in all business segments: revenue from the Distribution business increased significantly during the first half by 51.9% to S\$533.5 million compared to S\$351.3 million in first half FY03. Revenue from the Enterprise Systems as well as the IT Services increased by 6.5% and 15.1% to S\$291.5 million and S\$11.3 million respectively.

All subsidiaries also reported higher revenues: revenue from North Asia grew by 26.6% from S\$359.6 million to S\$455.2 million and contributed to 54% of the Group's revenue in the current first half ended FY04. Revenue from ECS' South East Asian subsidiaries grew by 38.4% from S\$275.3 million to S\$381.1 million. This is due to increased IT expenses and strong economic recovery in the region.

"ECS has been helping corporations to improve operations efficiency through better use of IT tools in their business processes. We will continue to strive to provide our customers with better products and services to enhance the overall customer experience," added Mr. Tay.

Going forward, the Directors expect sustained economic recovery and higher business confidence in the region. With increased IT expenses and more investments made to the IT infrastructure, the Group is positive the performance of the third

quarter FY04 will be better than the corresponding period last year, and FY04's financial results will be better than FY03. ECS will continue to focus on China, concentrate on expanding IT services business, continue with geographical expansion and enhancing its channel network with additional products offerings to achieve higher profitability.

For more information, please contact:

Rae Chew
Edelman
Tel: 6733 1110 ext. 202
Email: rae.chew@edelman.com

Sharon Boh-Friberg
Marketing and Communications Director
ECS Holdings Limited
HP: 9180 8062
Email: sharon.bohfriberg@ecs.com.sg

About ECS Holdings Limited

ECS Holdings Limited is the holding company of a group of five subsidiary companies comprising ECS Computers (Asia) Pte Limited 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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