

ECS HOLDINGS LTD

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NEWS RELEASE

ECS HOLDINGS LIMITED 9 MONTHS PROFIT MORE THAN TRIPLES

- **NET PROFIT UP 321% FOR THE FIRST 9 MONTHS**
- **GROUP REVENUE UP 28.9%**

SINGAPORE - 2 November 2004 - Mainboard listed ECS Holdings Ltd, a leading IT products and services provider, today announced a 321% jump in net profit after tax and minority interests, to S\$9.2 million for the nine months ended 30 September 2004, compared to the corresponding period in FY03. Group revenue for the first nine months of 2004 increased by 28.9% to S\$1.3 billion over the same period of 2003. Earnings per share was up 312% at 2.6 Singapore cents.

Net profit after tax and minority interests for Q3 FY04 is S\$3.73 million compared to a loss of S\$925,000 in the same period last year. Group revenue for Q3 FY04 increased by 24.2% from S\$377 million to S\$468 million over the same period of 2003.

This outstanding result is due to the overall good performance of all business segments in all countries, with especially strong performance from Singapore and Thailand. Increased revenues were driven by demand for IT services, servers, Desktop PCs, Notebooks and other consumer electronic products such as the iPod. ECS' extensive market network of more than 13,000 resellers and partners in the region, coupled with good support from our principals and customers, enabled us to gain recognition and secure leadership position as a preferred vendor.

Mr. Tay Eng Hoe, Group CEO for ECS Holdings Limited, said "We are delighted with these very solid nine-month results. I commend my management team and employees who have remained focused and dedicated to deliver such fantastic results."

"Margins have stabilized and markets are seeing consolidation. We are well positioned to capitalize on several market opportunities to grow our top and bottom-line. There is potential to expand geographically, to strengthen our relationship with existing vendors and to develop new vendor partnerships so as to increase our channels coverage."

The Group experienced revenue growth in all business segments during Q3. Revenue from the Distribution segment grew by 35.8% from \$238.6m in Q3 2003 to \$324m in Q3 2004 due to an increased demand for Desktop PCs, Notebooks and consumer electronics products such as iPod.

Revenue from the Enterprise Systems segment grew marginally by 2.9% from \$133.5m in Q3 2003 to \$137.4m in Q3 2004. The IT Services revenue grew 43.2% from \$4.5m in Q3 2003 to \$6.5m during the current quarter as demand for its technical services increased.

All subsidiaries also reported higher revenues: revenue from North Asia grew by 21.7% from S\$572.01 million to S\$695.94 million during the first nine months of 2004, as compared to the corresponding period of 2003, and contributed to 53.3% of the Group's revenue. Revenue from ECS' South East Asian subsidiaries grew by 38.4% from S\$439.46 million to S\$608.25 million, in the same nine month period of 2004, as compared to 2003.

Going forward, with the likely sustained economic recovery and higher business confidence in the region, IT expenses is expected to increase and with more investments made to the IT infrastructure, the Group is confident it will perform well in the next quarter. ECS will continue to focus on building its China operations, concentrate on expanding IT services business, continue with geographical expansion and enhance its channel network with additional products offerings to achieve higher profitability.

Q3 of 2004 also saw several significant developments for ECS. These included Singapore Technologies Electronics Limited acquiring a 21.35% equity stake in ECS through its subsidiary SES Systems Pte Ltd, an agreement to partner with US-based Tapwave, Inc. to bring the Zodiac multimedia handheld into Singapore, and the announcement that its Indonesian subsidiary, PT ECS Indo, was appointed by Sun Microsystems as its distributor in Indonesia.

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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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