



PRESS RELEASE

ECS 1QFY2005 Net Profit Up 35% to S\$2.9m; Strong contributions from Singapore and Malaysia

- ❑ 17.2% rise in 1QFY2005 revenue, ahead of industry growth rate
- ❑ 1QFY2005 gross profit margin steady against 4Q2004
- ❑ Expects better profits for FY2005

SINGAPORE, 10th MAY 2005 – ECS Holdings Limited (“ECS”) today announced a 35.4 per cent increase in net profit after tax and minority interest to S\$2.9 million for the three months ended 31st March 2005. Earnings per share were 0.81 cents, compared with 0.61 cents in 1QFY2004.

Group revenue rose 17.2 per cent to S\$456.0 million, underpinned by a strong 32.2 per cent increase in revenue from the South East Asia market, especially Singapore and Malaysia. All three business segments comprising Enterprise Systems, IT Services and Distribution, recorded higher revenues and profits.

Mr Tay Eng Hoe, the Group Chief Executive Officer, said: “Demand remained strong in South East Asia, but more importantly for the group, gross profit margins have stabilized. We are also beginning to benefit from our restructuring efforts in China.”

“Based on the current outlook of higher IT expenditures in the region, the Group is optimistic that FY2005 will be better than FY2004” he added.

Revenue from the Distribution division, through ECS’ extensive network of over 13,000 channel partners, was up 16.1 per cent to S\$285.3 million, and accounted for 59.3

per cent of the revenue increase in 1QFY2005. Desktop PCs and consumer electronic products were the key revenue drivers.

The Enterprise Systems division reported a 38.4 per cent jump in segment profit to S\$2.6 million on an 18.9 per cent higher turnover of S\$164.5 million. The better performance was due mainly to firm demand for enterprise software and high end servers.

The IT services division reported a 20 per cent increase in revenue to S\$6.3 million whilst segment profit was marginally up by 5.2 per cent to S\$0.5 million.

For the full year ended 31st December 2004, ECS achieved a 113.9 per cent jump in net profit to S\$13.5 million, on a turnover of S\$1.87 billion, up 31.1 percent from S\$1.42 billion for full year ended 31st December 2003.

About ECS Holdings Limited

ECS Holdings Limited (“ECS”) is a leading IT product and services provider, serving and supporting a wide regional customer base. The Group has offices in 29 cities covering China, Indonesia, Malaysia, Singapore and Thailand.

ECS’ three core 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 13,000 channel partners in the region to distribute their products.

The Group has a consistent profit track record and management is focused on operational excellence to achieve sustainable profit growth and enhance shareholder returns.

ECS has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited since 2001.

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