

PRESS RELEASE

Strong Enterprise Business and Malaysian sales help lift 2Q05 net profit by 29% to S\$4.3m

- ❑ **2Q05 Enterprise Systems PBIT rose 27% to S\$3.3m**
- ❑ **Malaysia performance exceeded expectations**
- ❑ **Expects to do better in second half**

SINGAPORE, 4TH AUGUST 2005 – ECS Holdings Limited (“ECS”) today announced a 29 per cent increase in net profit after tax and minority interests to S\$4.3 million for the second quarter ended 30th June 2005. Earnings per share was 1.21 cents in 2Q05 against 0.94 cents in the previous corresponding quarter.

ECS’ strategic shift to focus on the higher margin enterprise business, which designs, installs and implements IT infrastructure for companies, resulted in sustained growth momentum. Enterprise Systems sales increased 17 per cent year-on-year (“y-o-y”) to S\$178.7 million in 2Q05, despite the lower Enterprise sales in Thailand due to reduced government spending on IT projects and the aftermath of the Tsunami disaster late last year. The Group’s Enterprise business registered a 27% y-o-y rise in profit before interest and tax to S\$3.3 million.

The shift in focus impacted ECS’ China operations positively – 2Q05 Enterprise Systems sales for China was 26 per cent higher y-o-y compared with a 21 per cent decline in Distribution sales. The overall profit margin for the China operation remained

stable, underpinned by the improved sales mix that offset competitive pricing pressure for Distribution sales.

ECS' Chief Executive Officer Mr Tay Eng Hoe said: "We have been building up our team to grow our enterprise business in China and elsewhere in the region, and the enhancement on profitability is beginning to show."

"We are positive on China's demand outlook. We are also very encouraged by the strong surge in Malaysian sales, by over 60%" added Mr Tay.

Distribution sales of IT products rose 7.2 per cent to S\$308.6 million in 2Q05 while profit before interest and tax remained stable at S\$3.1 million. The exceptionally strong performance in Malaysia helped cushion the impact of lower distribution sales in China.

For the half year ended June 2005, Group revenue was up 10 per cent to S\$491.6 million, underpinned by a strong 29 per cent rise in South East Asia revenue to S\$253.8 million.

"We expect business to remain buoyant in the coming months. With the market consolidation of IT vendors and distributors, we have gained market share, especially in Malaysia. We are optimistic that profitability for the third quarter will be better, and we expect this year's profit to improve over 2004," said Mr Tay.

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 14,500 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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