

## PRESS RELEASE

# 3Q's earnings up 20% as shift to Enterprise business pays off

- ❑ **3Q FY05 Enterprise Systems' PBIT rose 46%**
- ❑ **Enterprise Systems revenue in China up 66%**
- ❑ **SE Asia the largest profit contributor, with 64% of 3Q PBIT**

**SINGAPORE, 10 November 2005** – ECS Holdings Ltd announced a rise of 20.3% in net profit after tax and minority interest to S\$4.5 million for the third quarter to 30 September 2005 (3Q FY05), and of 27.1% for the nine months to \$11.7 million from \$9.2 million yoy.

To enhance profitability, ECS, a leading IT product and services provider in Asia, had strategically shifted its focus to the higher-margin Enterprise Systems segment. This paid off, as evident in Enterprise Systems' stronger 3Q FY05 revenue growth of 42.8%, mainly driven by higher revenue of enterprise servers and softwares.

ECS' Chief Executive Officer, Mr Tay Eng Hoe, said: "Our efforts to focus on the higher margin business in China are also paying off, with the Enterprise Systems business surging 66.4% yoy in 3Q FY05 in China."

The Group's revenue grew 9.3% to \$511.2m in 3Q FY05 against \$467.9m in 3Q FY04. South East Asian countries grew at a healthy rate of 15.2% to S\$261.7 million in 3Q FY05. Benefitting from the IT industry's market consolidation, Malaysia was again the star performer, with a strong 48.8% yoy revenue growth.

For 3Q FY05, the Group reported an 11.3% improvement in profit before interest and tax (PBIT) to \$0.8m. This was mainly due to Enterprise Systems segment contributing 50.1% of the Group's PBIT in 3Q FY05 vs 38.3% for 3Q FY04. Geographically, South East Asia region reported improved profitability, with a strong 19.1% yoy growth in 3Q FY05's PBIT to S\$5.1 million and contributed to 64.4% of the Group's PBIT in 3Q FY05.

Mr Tay added, "Based on current outlook, the Group expects profitability for 4Q FY05 to be in line with 4Q FY04 and the profitability for FY 2005 to be better than FY 2004."

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### **About ECS Holdings Limited ("ECS")**

ECS Holdings Ltd 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.

The Group's three core businesses are Enterprise Systems, IT Services, and Distribution. Its Enterprise Systems Division designs, installs and implements IT infrastructure systems for companies, while IT Services 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.

ECS has a consistent profit track record. Management focuses on operational excellence to achieve sustainable profit growth and enhance shareholder returns.

The Group was listed on the Mainboard of the Singapore Exchange in 2001.

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For further information, please contact:

**Ms Sharon Boh-Friberg**

ECS Holdings Ltd

HP: 9180-8062

or email: [sharon.bohfriberg@ecs.com.sg](mailto:sharon.bohfriberg@ecs.com.sg)

**Ms Chang Chiew Yee**

OakTree Advisers

Tel: 6100-1811

HP: 9876-6582

or email: [ccy@oaktreadvisers.com](mailto:ccy@oaktreadvisers.com)

**Ms Nora Cheng**

OakTree Advisers

Tel: 6100-1811

HP: 9634-7450

or email: [noracheng@oaktreadvisers.com](mailto:noracheng@oaktreadvisers.com)