

**MEDIA RELEASE**

**ACCS half-year net profit surged 135% to S\$18.1 million**

Financial Highlights	6 months to 30 June 2004			6 months to 30 June 2003	% change
	Q1	Q2	1H		
Revenue	S\$41.3 m	S\$82.2 m	S\$123.5 m	S\$38.5 m	+221%
Pretax Profit	S\$8.1 m	S\$11.4 m	S\$19.5 m	S\$9.1 m	+115%
Net Profit	S\$7.6 m	S\$10.6 m	S\$18.1 m	S\$7.7 m	+135%

**Singapore – 4 August 2004** – Accord Customer Care Solutions Limited (“ACCS” or the “Company”), a leading provider of after-market services (AMS) for mobile communications and high-tech consumer products in the Asia-Pacific region, continues to deliver on its growth strategy. For the first half of 2004, revenue rose 221% while net profit was up 135% compared with the same period last year. Compared to 1Q2004, revenue increased 99% while net profit improved 40%.

“Enhancing shareholders’ value through quality earnings has always been a top priority with ACCS and we are indeed proud that we have been able to sustain our robust earnings momentum into 2004. The second half of the year will be an exciting period as we kick off with the new Nokia contract in India, work towards the listing of DMS and continue to explore new and related businesses to augment our earnings growth,” said Mr. Victor Tan, CEO and Managing Director of ACCS.

The core AMS business continued to grow, recording revenue growth of 89% to S\$64.0 million in the first half, contributed mainly by the rapid growth of its AMS network. Since 30 June 2003, ACCS’ network has more than doubled, from 145 service centres to 369 service centres across 144 cities/towns in 15

countries/territories as at 30 June 2004. The ACCS Group also manages a network of 668 repair management centres on behalf of its partners. The bulk of the expansion in the network in the first half was due to ACCS' expansion into the India AMS market.

Noteworthy too was the impressive growth at its distribution management solutions (DMS) business, where revenues soared to S\$62.6 million due mainly to growth by acquisitions by its wholly-owned subsidiary, Distribution Management Solutions Pte Ltd ("DMSPL"). The Group's DMS business now accounts for approximately 49% of the Group's revenues, up from 12% previously.

For the six months ended 30 June 2004, ACCS also achieved positive net operating cash flows of S\$21.3 million. Cash position as at 30 June 2004 stood at S\$32.2 million.

### ***PRC and India to propel future growth***

"Going forward, ACCS is gearing up for further growth as we explore new opportunities in our target markets in the PRC and India. Our vision for the PRC and India is to operate a nationwide AMS network. In the PRC, the world's largest mobile phone market, we seek to achieve that by strategic alliances with key major players. In India, where the low mobile phone penetration rate holds significant growth potential, we continue to grow our market presence with a second nationwide network contract, this time for Nokia India. With our track record, we are well-positioned to become the preferred service partner for other major global brands looking to build up their market presence in India. We expect our business in India to contribute approximately S\$40 million in revenue for FY2005," added Mr. Tan.

Including the appointment by Nokia India Private Limited as its Care partner in India, ACCS is now the Care partner to Nokia in 11 countries across the Asia-Pacific region.

### **South Pacific**

With a nationwide AMS network in place in Australia, the ACCS Group is exploring various business opportunities in South Pacific. The ACCS Group was recently appointed by InFocus Corporation (NASDAQ: INFS) as its new national service agent across Australia. InFocus is a worldwide leader in digital projection technology and services.

“We continue to see a trend of consolidation in the fragmented AMS industry in the region as well as the increasing outsourcing trend in the telco industry. We believe that ACCS, with its track record and extensive regional network, is poised to benefit from current trends and remain optimistic of the Group's prospects in the next reporting period as we establish ourselves as the AMS partner of choice in the Asia-Pacific region,” concluded Mr Tan

*IR/Media Contact:*

*Juliet Ang, NRA Capital Pte Ltd*

*Email: [juliet.ang@netresearch-asia.com](mailto:juliet.ang@netresearch-asia.com)*

*Tel: 6557 0718/9839 9016*

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### **About ACCS**

Accord Customer Care Solutions (ACCS) provides a comprehensive suite of integrated after-sales market services (AMS) on behalf of its partners. These services include:-

- Customer Relationship Management – manage information hotlines, customer call centres and help desks.
- Repair Management – manage sub-contractors and service partners and quality accreditation of third-party service centres
- Technical Services Management – provide basic, intermediate and advanced repair and maintenance services, including bulk repair, upgrading and repackaging of new/existing products.
- Administrative Management - maintain warranty base and billing systems and manage claims and inventory on behalf of partners
- Other Value-Added Services - include the sale of accessories and merchandise, e-distribution of ADSL modems, management of parts distribution and the operation of mobile clinics.

ACCS provides an integrated range of services in the management of after-sales customer care for 35 brands, namely Alcatel, BenQ, Bird, CECT, Cosun, Daxian, DBTel, Dopoda, EMol, Fengda, Gtran, Haier, Hisense, Hyundai, ikomo, Kyocera, Lenovo, LG, Motorola, NEC, Nokia, O2, Panasonic, Philips, Psion, Sagem, Samsung, Sendo, Sharp, Siemens, Sony Ericsson, Soutech, Tel.Me, Toshiba and TCL.

From its headquarters in Singapore, ACCS operates a regional network of service centres in the Asia-Pacific region comprising 369 service centres in 144 cities/towns across 15 countries/territories as at 30 June 2004. The Group also manages a network of 668 repair management centres on behalf of its partners.

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