

1Q2004 Financial Results

Analyst Briefing 29 April 2004



Agenda

- Financial Highlights
- Our Network
- Going Forward
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1Q2004 Results - Financial Highlights -



Strong Start into 2004

S\$ m	1Q04	1Q03	% chg
Revenue	41.3	15.8	+162
Other Operating Income	0.1	3.2	-97
Operating Profit	8.5	3.6	+139
Profit before Tax	8.2	3.6	+139
Net Profit	7.6	3.0	+153



Segmental Analysis by Business

(S\$ m)	1Q04	1Q03	% chg
Revenues			
-AMS	30.8	14.7	+110
-DMS	10.5	1.1	+852
Pretax Profit			
-AMS	6.2	3.4	+84
-DMS	1.9	0.2	+1179
Pretax Margin			
-AMS	20.2%	23.1%	
-DMS	18.4%	13.7%	



Some P&L Explanations

- DMS accounted for 25% of revenues, up from 7% previously
- AMS margin down by 2.9 ppts due to decrease in other operating income such as FX gains and one-off royalty income in 1Q03
- DMS margin up 4.7 ppts due to management fee income from new logistics management contracts
- Other operating income ↓ 97%
 - One-off items in Q103 (e.g. royalty, government grant)
 - FX gain in Q103
 - Lower management and corporate advisory fees upon acquisition of companies in the PRC and India



Balance Sheet Highlights

(S\$ m)	31 Mar 2004	31 Dec 2003
Cash	34.3	32.6
Trade Receivables	36.3	27.9
Other Receivables & Prepayment	8.3	11.0
Inventories	16.8	15.4
Bank Borrowings	28.0	24.9
Goodwill	32.2	14.1



Balance Sheet Explanations

Bank Borrowings

- \$16.8m for DMS business (31/12/03: \$12.7m)
- \$11.1m for investment in the PRC (31/12/03: total borrowings for investment in PRC and India was \$12.3m)

Goodwill

 Increase in 1Q mainly from acquisitions of companies in PRC and India



Cash Flow Highlights

S\$ m	1Q04	1Q03
Op cashflow bef wkg cap	9.9	4.3
Working Capital cashflow	(5.1)	0.2
Tax and Net Interest Paid	0.1	(1.4)
Cash from Operations	4.9	3.1
Investing Cashflow	(4.1)	(9.9)
Financing Cashflow	1.2	26.3
Net change in cash	1.6	20.1



Cash Flow Highlights

- Increased Working Capital Cashflow due mainly to DMS
- Excluding-DMS, Cash from Operations would have been S\$9.1m





Our Network



Our Network

	31 Mar 2004	31 Dec 2003
Brands	32	24
Service Centres	340	220
Repair Management Centres	668	168
Countries/Territories	15	14
Cities/Towns	139	48
Staff	1,800 (est.)	1,266



Expansion in Network since 1 Jan 04

PRC

Total network of over 35 service centres

India

 Nationwide network roll-out of 100 service centres and 500 repair management centres for Motorola

Australia

- Roll out Nokia Care Centres
- Rationalise and consolidate multi-brand service hubs to enhance operational efficiency





Going Forward



Strategy & Outlook

AMS

- Target markets with low penetration rates and/or good growth potential
 - PRC: exploring strategic business partnership
 - India: seek new principals
 - Thailand: leverage on presence and track record
- Expand CE business
 - Regional expansion with existing principals
 - Seek new principals



Strategy and Outlook

Refurbishment Projects

- Initial target of 50,000 units per month already achieved
- On track to increase volume by about 50% by 1H04

DMS

 Undergoing restructuring/reorganisation of its business in connection with proposed listing on SGX-ST



Strategy and Outlook

New Businesses

- Leverage on in-depth knowledge of AMS and logistics industries
- Monetise future value creation through various avenues including separate listings





Q & A

