

MEDIA RELEASE

ACCS 1Q net earnings surged 152%

- *Network expanded from 220 service centres in 48 cities/towns to 340 service centres in 139 cities/towns; Repair management centres increased from 168 to 668*
 - *AMS business grew 110%; DMS business surged 852%*
- *Robust performance sets stage for sustained growth momentum of FY03 into FY04*

Financial Highlights	3 months to 31 March			
	(S\$m)	2004	2003	% chg
Revenue		41.3	15.8	162%
Pretax Profit		8.1	3.5	131%
Net Profit		7.6	3.0	152%

SINGAPORE, 29 April 2004 :- Accord Customer Care Solutions Limited (“ACCS” or the “Company”), a leading after-market services (AMS) provider for mobile communications devices and high-tech consumer products in the Asia-Pacific region, sees strong earnings momentum continuing into 2004. For the first quarter ended 31 March 2004, revenues grew 162% to S\$41.3 million while net profit surged 152% to S\$7.6 million.

“We are very excited with our strong performance in this quarter. We achieved this despite the fact that Q1 is traditionally a shorter period due to public holidays such as the Lunar New Year, when some of our centres are closed for many days. We believe that the efforts and investments that we have made in building our regional network and our brand coverage are starting to bear fruits. We are very encouraged by such a good start to a new year as it sets the stage for us to sustain the growth momentum that we had achieved in FY03,” said Mr Victor Tan, Managing Director and CEO of ACCS.

The core AMS business showed robust revenue growth of 110% to S\$30.8 million in the first quarter as ACCS expanded its network rapidly from 220 service centres

as at end 31 December 2003 to 340 service centres as at 31 March 2004. Also significant was the contribution from the Group's distribution management solutions (DMS) business - revenues surged 852% to S\$10.5 million while pretax profit rose 1179% to S\$1.9 million. DMS now accounts for 25% of group revenues, up from 7% a year ago.

For the quarter just ended, ACCS also achieved positive net operating cashflows of S\$4.9 million. Cash position as at 31 March 2004 stood at S\$34.3 million.

It was an exciting first quarter for ACCS:-

- **Expanding footprint in the PRC** :- ACCS now has an AMS network of over 35 service centres in the PRC compared with 30 as at end of 2003. 8 new brands were added to our portfolio :- BenQ, COSUN, DBTel, Emol, Fengda, Lenovo, Soutech and Toshiba.
- **Making our presence felt in India** :- UCom Technologies Pvt Ltd has completed the roll-out of 100 dedicated service centres and the appointment of 500 repair management centres for Motorola in India.
- **Growing AMS network in Australia** :- Pursuant to the appointment by Nokia Australia Pty Ltd in September 2003 to operate a nationwide AMS network in Australia, we have since set up 11 Nokia Care Centres across Australia and a Nokia Technical Service Centre in Sydney. Further to the completion of the acquisition of Mobilefonerepair.Com Pty Ltd at the end of 2003, the Group has also rationalised and consolidated some of the multi-brand service hubs in Australia in order to enhance operational efficiency.
- **Rapid Expansion of DMS** :- ACCS had announced earlier this year that its subsidiary, Distribution Management Solutions Pte Ltd ("DMSPL"), had secured various logistics management contracts with mobile phone distributors and AMS providers in the Asia-Pacific region. DMSPL is currently undergoing a restructuring/reorganisation of its business in connection with its proposed listing on the Singapore Exchange Securities Trading Limited.

In April 2004, ACCS was appointed by Nokia Pte Ltd as its exclusive service partner in Singapore. This appointment will come into effect from 1 July 2004.

Commenting on the group's outlook and strategy, Mr. Victor Tan added, "We are confident of a stronger performance this year as our expansion efforts begin to pay off. The PRC region will emerge as a significant contributor to revenues and profits this year. Our operations in Australia have also turned around and should boost the group's bottomline. At the same time, the India region will also be a positive contributor."

Mr Tan added, "In terms of future expansion, we are strategically focusing on markets with low mobile phone penetration rate and/or good growth potential such as the PRC, India and Thailand. In the PRC, we are actively seeking out strategic business partners to expedite our aim of establishing a nationwide network. India is the fastest growing market with a low penetration rate of around 3%. Having successfully set up a nationwide network for Motorola in India, we hope to secure more principals in this market. In Thailand, we intend to leverage on our existing presence and track record to further expand our market share."

"The AMS business will remain ACCS' core business but we will also identify new related businesses to augment our earnings growth by leveraging on our in-depth knowledge of the AMS and logistics industries. We intend to nurture these new businesses and monetise the value created through various avenues such as separate listings in the future," concluded Mr. Tan

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About ACCS

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

- ⇒ Customer Relationship Management – manage information hotlines, customer call centres and helpdesks
- ⇒ 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 sale of accessories/merchandise, e-distribution of ADSL modems, management of parts distribution and operation of mobile clinics

ACCS provides an integrated range of services in the management of after-sales customer care for 32 brands, namely Alcatel, BenQ, Bird, CECT, Cosun, Daxian, DETel, Emol, Fengda, Gtran, Haier, Hyundai, Ikoma, Kyocera, Lenovo, LG, Motorola, NEC, Nokia, O₂, Panasonic, Philips, Psion, Sagem, Samsung, Sendo, Sharp, Siemens, Sony Ericsson, Soutech, Toshiba and TCL.

From its headquarters in Singapore, ACCS operates a regional network of service centres in the Asia-Pacific region comprising 340 service centres in 139 cities/towns across 15 countries/territories as at 31 March 2004. The Group also manages a network of 668 repair management centres on behalf of its partners.

For more information, visit us at www.accordccs.com