

Press Release: ACCS rings in 122.1% increase in net profit to \$12.5 million for FY2002

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

PRESS RELEASE

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FY2002 Results / 24 March 2003
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ACCS rings in 122.1% increase in net profit to \$12.5 million for FY2002

- Revenue more than doubled to \$70.0 million
- Stellar performance attributed to Group's scalable business model
- Group recently began operations in UAE and Vietnam and will make strong push into China, Malaysia and Thailand

Financial Highlights	15 months to 2001 (\$'000)	2002 (\$'000)	CAGR (FY2000-2002) (%)
Revenue	32,599	69,992	276.6
Net Profit	5,638	12,521	468.8

SINGAPORE – 24 March 2003 – Mainboard-listed Accord Customer Care Solutions Limited ("ACCS"), a leading provider of After-Market Services (AMS) for mobile communication and high-tech consumer products in Asia-Pacific, today reported that increased business volumes from new and existing service centres contributed to a 122.1% jump in net profit to \$12.5 million for the full year ended 31 December 2002, compared to the previous 15-month period.

Group revenue soared 114.7% to \$70.0 million, boosted by an increase in business volume from 36 service centres that were newly established in FY2002, an increase in business volume from the existing centres and a spare parts distribution project undertaken during FY2002.

The Group's FY2002 financial performance compares with a net profit of \$5.6 million on revenue of \$32.6 million for FY2001, which covered a 15-month period from 21 October 2000 (date of ACCS' incorporation) to 31 December 2001.

On a 12-month comparison, based on proforma figures from the Company's prospectus dated 7 March 2003, revenue rose 126.2% from \$30.9 million achieved in FY2001, with net profit increasing by 122.6% from \$5.6 million.

Based on the latest unaudited full year results, earnings per share leaped 122.1% to 2.31 cents from 1.04 cents in the previous 15-month period while net tangible asset value per share increased by 154.2% to 3.33 cents from 1.31 cents.

"We are very pleased with our strong financial performance which came about from our rapid expansion across Asia-Pacific," said Mr Victor Tan, Managing Director and CEO of ACCS. "Our earnings were also boosted by the fresh contributions from 36 new service centres in various countries/territories that commenced operations in FY2002 as well as increased business volume from the existing 62 service centres. It is the Group's scalable business model that enables it to

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quickly replicate service centres in untapped markets," said Mr Tan.

The Group intends to set up new service centres across 10 countries/territories by end FY2003. These include Australia, China, Hong Kong, Indonesia, Malaysia, the Philippines, Taiwan, Thailand, the UAE and Vietnam. ACCS recently began operations in two new markets, namely, the UAE and Vietnam, and has plans to venture into the India market in the near future.

Today, ACCS operates an extensive network of 103 service centres in 29 cities across 14 countries/territories for 19 brands.

As at 31 December 2002, ACCS operated a total of 98 service centres in 25 cities across 12 countries/territories for 18 brands. In comparison, ACCS operated a total of 62 service centres in 15 cities across 11 countries/territories for 14 brands as at 31 December 2001.

During the period under review, revenue contributions by geographical coverage for South Asia, North Asia and South Pacific were \$39.9 million, \$14.1 million and \$15.9 million respectively. These compare with revenues of \$14.7 million, \$12.9 million and \$4.9 million for FY2001.

ACCS currently has markets in the geographical regions of South Asia (Indonesia, the Philippines, Thailand, Malaysia, Singapore and Vietnam), North Asia (The People's Republic of China, Hong Kong SAR, Taiwan, Japan and South Korea), South Pacific (Australia and New Zealand) and the Middle East (UAE).

Going Forward

"In the year ahead, we continue to see increased outsourcing of AMS function by manufacturers of high-tech consumer products. Coupled with the industry trend towards fewer and larger independent AMS providers and ACCS' pan-Asian network of service centres, the Group is well positioned to meet the growing demand for AMS services in the region," said Mr Tan.

"Our first mover advantage in Asia Pacific amidst a fragmented competitive landscape enables ACCS to aggressively rollout its expansion plans in high growth mobile handset markets such as the People's Republic of China (PRC), Malaysia and Thailand. Our current operations in Shanghai, Suzhou and Tianjin will serve as a springboard in further penetrating the PRC market. In this regard, our IPO proceeds will stand us in good stead in our expansion plans," commented Mr Tan.

ACCS' strategic imperative is to establish a nationwide footprint across China's 31 provinces within the next three years. The immediate focus will be to set up service centres in Beijing and Guangzhou and targeting global and local brands. The latter include Chinese mobilephone brands such as Haier which was recently signed up.

Overall, the Group will employ a three-pronged strategy in expanding its network of service centres. These include strategic acquisitions, setting up of wholly-owned service centres and the management of repair centre network for principals.

Looking ahead, the Group intends to remain at the forefront of emerging infocomm technologies. To date, ACCS has equipped itself with knowledge of the latest technology such as 3G, thereby reinforcing its position as a preferred AMS partner when 3G-enabled products gain mass-acceptance.

About ACCS

As an AMS provider, ACCS provides a comprehensive suite of integrated after-sales customer services on behalf of its partners to end-users. 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

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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 to 16 global mobile communication device manufacturers, namely Alcatel, Audiovox, Hyundai, Kyocera, Motorola, NEC, Nokia, O2, Panasonic, Philips, Sagem, Samsung, Sendo, Siemens, Sony Ericsson and Telit.

From its headquarters in Singapore, ACCS operates a large network of service centres in the Asia Pacific comprising 103 service centres in 29 cities across 14 countries/territories as at 24 March 2003. For more information, visit us at www.accordccs.com

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Submitted by VICTOR TAN HOR PEOW, Chief Executive Officer & Managing Director on 24 March 2003 to the SGX