

PRESS RELEASE

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ACCS achieves record after tax profit of \$21.2 million in FY2003

- Net profit grew 69% over FY2002
- Proposes 1 bonus share for every 2 existing shares
 - Expects 400 service centres by end 2004

Financial Highlights	3 months to 31 Dec			12 months to 31 Dec		
	2003 (\$m)	2002 (\$m)	% chg	2003 (\$m)	2002 (\$m)	% chg
Revenue	35.1	20.4	72	100.7	70.0	44
Profit Before Tax	6.3	4.3	49	21.4	15.1	42
Profit After Tax and Minority Interests	8.4	3.8	123	21.2	12.5	69

SINGAPORE – 26 February 2004 – 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 announced another year of record profit. ACCS also announced a bonus issue of 1 bonus share for every 2 existing shares held. The bonus issue will be subject to relevant regulatory and shareholders’ approvals.

For the year ended 31 December 2003, net profit attributable to shareholders surged 69% to \$21.2 million, from \$12.5 million in FY2002. This was achieved on the back of a 44% jump in revenue to \$100.7 million.

Based on this set of results, earnings per share rose 49% to 3.44 cents from 2.31 cents in FY2002, while net tangible asset value per share increased to 12.21 cents in FY2003 against 3.33 cents in FY2002. The Group also has a strong cash position of \$32.6 million as at 31 December 2003.

“This has been a remarkable year for ACCS. Our service centre network expanded by 124% and we successfully made inroads into the two most highly-populated countries in the world – India and the PRC – which are touted to be future drivers of the global economy. Our successful network expansion programme, and new ventures into related business areas such as refurbishment of mobile phones and distribution management solutions business will also underpin the Group’s continued growth in FY2004,” said Mr Victor Tan, Managing Director and CEO of ACCS.

As at 31 December 2003, the Group’s regional network of service centres more than doubled to 220, from 98 centres in the previous year. ACCS also managed over 50% more repair management centres, 168 compared to 110 in the previous year.

Prospects & Future Plans

Industry wise, the Group continues to see consolidation in the fragmented regional AMS industry, as well as increasing outsourcing in the telco industry.

In the midst of these positive industry developments, and given the new ventures, business initiatives and contracts, the Group remains optimistic of its prospects for the next reporting period.

Looking ahead, some of the Group’s notable plans include tapping on the exciting growth potential for the AMS business in India. With the present low mobile phone penetration rate and the expected rapid economic growth in India, the Group’s nationwide network of more than 600 service points in India (comprising 105 dedicated service centres and 500 repair management centres) will serve as

a platform for ACCS to increase its AMS network and brand coverage in that country.

The Group will continue to expand its foothold in the PRC and explore joint ventures with strategic business partners in the PRC to expedite the set-up of a nationwide AMS network in the PRC.

The Group expects both India and the PRC to become significant contributors to the Group's performance in the coming years.

ACCS is also looking at extending its lead in providing AMS for high-tech consumer electronic products by building on its existing relationship with Samsung and Phillips in Singapore. Moving ahead, the Group will adopt a two-pronged approach – by extending similar AMS services for these two brands to overseas markets, as well as sourcing for new contracts from other manufacturers of high-tech consumer electronics products.

ACCS will also aim to capture more business and new refurbishment projects from regional telco players. These handsets will be refurbished by ACCS and re-exported by the telco players to developing markets such as India and Indonesia. Currently, the Group is already refurbishing 50,000 units per month and will work towards increasing business volume.

Among ACCS' plans for the coming year, the Group's newly-established distribution management solutions ("DMS") business stands out with its impressive \$36 million worth of contracts secured earlier this year.

"We continue to believe in the growth potential of our DMS business and will be seeking a separate listing for the entity on the Mainboard of the Singapore Exchange", said Mr Tan.

Through the DMS business unit, ACCS plans to provide an integrated suite of distribution management solutions to key players in the telco industry including

manufacturers, distributors and AMS providers in the region. The distribution management solutions business comprises three key components, namely, distribution, refurbishment and logistics management.

Commenting on prospects in FY2004, Mr Tan said, "This is going to be an even more exciting year for us as we roll out these new business initiatives. We aim to grow our AMS network to 400 service centres by the end of this year. With our expanding network and new business initiatives, we aim to grow our business volume and also increase our market share in the Pan Asia region aggressively".

"In addition, as we continue to expand our earnings base, we believe that we can leverage on our extensive regional network to generate other quality revenue streams from related businesses. In fact, we are currently exploring some of these opportunities," he concluded.

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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 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 24 brands, namely Alcatel, Audiovox, Bird, CECT, Daxian, Haier, Hyundai, Ikomo, Kyocera, LG, Motorola, NEC, Nokia, O₂, Panasonic, Philips, Psion, Sagem, Samsung, Sendo, Sharp, Siemens, Sony Ericsson and TCL.

From its headquarters in Singapore, ACCS operates a regional network of service centres in the Asia Pacific comprising 220 service centres in 48 cities/towns across 14 countries/territories as at 31 December 2003. The Group also manages a network of 168 repair management centres on behalf of its partners.

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

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