FY2004 Fourth Quarter and Full Year Financial Results

Name of Announcer *	ACCORD CUSTOMER CARE SOLN LTD
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Announcement submitted on behalf of	ACCORD CUSTOMER CARE SOLN LTD
Announcement is submitted with respect to *	ACCORD CUSTOMER CARE SOLN LTD
Announcement is submitted by *	Woo Kah Wai
Designation *	Company Secretary
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	FY2004 Fourth Quarter and Full Year Financial Results
Description	Accord Customer Care Solutions Limited is pleased to announce its FY2004 Fourth Quarter and Full Year Financial Results.
Attachments:	Q404Results220205.pdf Total size = **410K** (2048K size limit recommended)

Listed companies must provide the information required by Appendix 7.2 of the Listing Manual. Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the group".

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

2004 Full Year Financial Statement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Notes	Q4-04 $'000	Q4-03 $'000	YTD Dec-04 $'000	YTD Dec-03 $'000	Q4 Inc/(Dec) %	YTD Inc/(Dec) %
Revenue		**97,699**	**35,050**	**340,414**	**100,680**	179%	238%
Spare parts consumed/cost of goods sold		(57,611)	(15,518)	(208,482)	(41,502)	271%	402%
Other operating income	(i)	3,587	2,675	4,485	9,441	34%	-52%
Staff costs		(12,626)	(9,291)	(45,901)	(27,841)	36%	65%
Depreciation expenses		(1,307)	(771)	(4,715)	(2,609)	70%	81%
Other operating expenses	(ii)	(9,816)	(5,750)	(32,335)	(16,509)	71%	96%
Profit from operations		**19,926**	**6,395**	**53,466**	**21,660**	212%	147%
Finance cost	(iii)	(325)	(63)	(1,378)	(224)	416%	515%
Profit before share of results of associates		**19,601**	**6,332**	**52,088**	**21,436**	210%	143%
Share of results of associates		(191)	-	(47)	-	nm	nm
Profit before income tax		**19,410**	**6,332**	**52,041**	**21,436**	207%	143%
Income tax expense	(iv)	(2,107)	2,008	(4,185)	(264)	-205%	1485%
Profit after income tax		**17,303**	**8,340**	**47,856**	**21,172**	107%	126%
Minority interests		(201)	13	(441)	8	-1646%	-5613%
Net profit attributable To shareholders		**17,102**	**8,353**	**47,415**	**21,180**	105%	124%

1(a) (i) Other operating income consist of the following:

	Q4-04 $'000	Q4-03 $'000	YTD Dec-04 $'000	YTD Dec-03 $'000
Management and corporate advisory fee	69	1,186	114	4,288
Bond interest income from a related party	496		496	-
Gain on disposal of subsidiaries	2,017	20	2,017	20
Royalty income	-	-	-	1,238
Foreign currency exchange gain	329	469	272	2,280
Interest income from non-related companies	47	48	152	167
Government grant	-	-	-	229
Recovery of stocks written off from former holding company	-	652	-	652
Rental income from non-related companies	111	75	515	300
Others	518	245	919	287
	3,587	**2,675**	**4,485**	**9,441**

1(a)(ii) Included in other operating expenses are the following:

	Q4-04 $'000	Q4-03 $'000	YTD Dec-04 $'000	YTD Dec-03 $'000
Depreciation	1,307	771	4,715	2,609
Amortisation of goodwill on consolidation	551	172	1,928	628
Amortisation of other goodwill	178	22	524	86
Minimum lease payments under operating lease	3,140	1,485	11,396	5,045
Reversal of allowances for doubtful trade receivables	-	16	-	(30)
Allowances for doubtful trade receivables	696	128	696	128
Allowances for inventories	-	227	-	277
Loss/(Gain) on disposal of plant and equipment	213	2	335	(2)

1(a)(iii) Finance cost

This comprises interest on bank loans and the increase is due to higher loans undertaken for DMS activities.

1(a)(iv) Income Tax

Higher effective tax rate in 2004 is mainly attributable to higher proportion of DMS profit, which is taxed at local statutory rate despite the DEI incentive.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Notes	Group 31/12/04 $'000	Group 31/12/03 $'000	Company 31/12/04 $'000	Company 31/12/03 $'000
ASSETS					
Current assets:					
Cash		25,381	27,670	19,426	17,621
Fixed deposits pledged		8,645	4,970	6,825	4,970
Trade receivables	a	18,751	27,908	6,745	13,587
Other receivables and prepayments	b	9,862	11,047	57,467	39,398
Inventories	c	3,022	15,440	-	3,773
Total current assets		**65,661**	**87,035**	**90,463**	**79,349**
Non-current assets:					
Investment in associates	d	24,979	500	16,306	500
Investment in subsidiaries		-	-	16,691	23,836
Advance payments for investments	e	18,193	18,296	13,333	18,296
Plant and equipment		14,669	19,081	4,382	7,045
Other investments	f	16,450	129	15,087	129
Goodwill on consolidation	g	25,197	11,888	-	-
Other goodwill	h	1,025	2,219	961	1,013
Long-term receivables	i	22,044	-	22,044	-
Total non-current assets		**122,557**	**52,113**	**88,804**	**50,819**
Total assets		**188,218**	**139,148**	**179,267**	**130,168**
LIABILITIES AND EQUITY					
Current liabilities:					
Short-term bank loans	j	14,171	24,941	7,050	18,000
Trade payables	k	7,651	9,435	8,923	9,235
Other payables	l	18,361	10,325	74,475	33,879
Income tax payable		3,237	1,371	528	526
Obligations under finance leases		6	202	-	-
Current portion of long-tern bank loans		490	-	-	-
Total current liabilities		**43,916**	**46,274**	**90,976**	**61,640**
Non-current liabilities:					
Long-term bank loans	j	792	-	-	-
Obligations under finance leases		3	108	-	-
Deferred income tax		887	842	912	912
Total non-current liabilities		**1,682**	**950**	**912**	**912**
Minority Interest		464	485	-	-
Capital and reserves:					
Issued capital		24,017	15,829	24,017	15,829
Capital redemption reserve		22	22	22	22
Share premium reserve		38,274	42,098	38,274	42,098
Foreign currency translation reserve		(518)	544	-	-
Accumulated profits		80,361	32,946	25,066	9,667
Total equity		**142,156**	**91,439**	**87,379**	**67,616**
Total liabilities and equity		**188,218**	**139,148**	**179,267**	**130,168**

(a) Trade receivables

The trade receivables turnover is 25 days for the 12 months period ended 31 December 2004 (30 Sep 2004: 40 days, 30 Jun 2004: 48 days, 31 Mar 2004: 70 days, 31 Dec 2003: 88 days) and the trade receivables aging is as follows:-

Trade Receivables Aging	1 – 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Total
As at 31 December 2004	74%	14%	3%	9%	100%
As at 30 September 2004	72%	7%	7%	14%	100%
As at 30 June 2004	59%	8%	16%	17%	100%
As at 31 March 2004	65%	18%	2%	15%	100%
As at 31 December 2003	57%	21%	11%	11%	100%

(b) Other receivables and prepayments

Included in other receivables are mainly retention receivable on disposal of a subsidiary ($4.0 million), deposits for rental and utilities ($2.9 million) and prepayments ($0.8 million).

(c) Inventories

Inventories turnover is 16 days for the period ended 31 December 2004 (30 Sep 2004: 36 days, 30 Jun 2004: 51 days, 31 Mar 2004: 86 days, 31 Dec 2003: 136 days).

(d) Investment in associates

The increase in costs of investment in associates is due to the dilution and disposal of interest in Distribution Management Solutions Limited (previously known as Distribution Management Solutions Pte Ltd ("DMSPL")) and disposal of interest in Accord Customer Care Solutions (Aust) Pty Ltd ("ACCS Aust") from 100% to 50% respectively in December 2004.

In addition, the Company transferred 50% equity interest each in Accord CCS Thailand Co., Ltd ("ACCS Thai") to ACCS Aust and Accord Customer Care Solution (Asia) Limited (formerly known as Accord Customer Care Solutions (HK) Limited) in December 2004.

The remaining cost of investment in associates pertain to Allpro International Limited and 3 other associated companies incorporated in PRC.

(e) Advance payments for investment

This represents deposits and advances paid to third parties for equity stakes in investee companies for which the sale and purchase agreements have not been completed as at the end of the financial year.

Included in the advance payments for investments are deposits and advances for acquisition of:-

	2004	2003
	$'000	$'000
Subsidiaries	-	14,246
Associates	3,333	1,500
Other investments	14,860	2,550
Total	**18,193**	**18,296**

(f) Other investments

The increase is mainly due to investment in unquoted redeemable convertible bonds of Ventures Management Solutions Pte Ltd (31 Dec 2004: $15.0 million, 30 Sep 2004: $10.0 million, 30 June 2004: $5.0 million).

(g) Goodwill on consolidation

The increase mainly arose from acquisition of the following subsidiaries:-

- Shanghai ACCS Forte Science & Technology Co., Ltd
- ACCS PRC Limited (formerly known as “Porter Profits Limited”)
- Broadmax Services Limited

(h) Other goodwill

Following the dilution of ACCS Aust, other goodwill amounting to $1.1 million was disposed.

(i) Long-term receivables

In December 2004, the Company entered into agreements with ACCS Aust and ACCS Thai to convert all outstanding net receivables into long-term loans.

The loans are unsecured and shall bear interest, with effect from 1 January 2005, at the average prevailing prime lending rate of the Hongkong and Shanghai Banking Corporation Limited (Singapore Branch) and the Hongkong and Shanghai Banking Corporation Limited (Sydney or Bangkok branches). The loans are repayable on or after 31 December 2006.

(j) Bank loans

The bank loans of the Group were drawn down for the following:-

	2004	2003
	$'000	$'000
Investment in PRC	13,230	11,459
DMS activities	-	12,682
Expansion in India	2,223	800
Total	**15,453**	**24,941**

(k) Trade payables

Trade payables turnover is 16 days for the 12 months ended 31 December 2004 (30 Sep 2004: 24 days, 30 Jun 2004: 32 days, 31 Mar 2004: 45 days, 31 Dec 2003: 66 days).

(i) Other payables

Included in other payables are accrued operating expenses ($6.2 million), refundable deposit for disposal of DMSPL ($4.7 million), security deposit for management of inventories by DMSPL ($3.1 million) and deferred purchase consideration for acquisition of subsidiaries ($2.3 million).

The increase is mainly due to the refundable deposit for dilution of DMSPL and security deposit for inventory management.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2004		As at 31 December 2003	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
5,416	9,251	7,143	18,000

Amount repayable after one year

As at 31 December 2004		As at 31 December 2003	
Secured ($'000)	Unsecured ($'000)	Secured ($'000)	Unsecured ($'000)
773	22	108	Nil

Details of collateral

The bank loans amounting to $6,180,000 (31 December 2003: $6,941,000) of the Group are secured by fixed deposits of $3,825,000.

Finance lease is secured by the fixed assets acquired under the lease arrangement.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

		Q4-04	Q4-03	2004	2003
		$'000	$'000	$'000	$'000
Cash flows from operating activities:					
Profit before income tax		19,601	6,332	52,088	21,436
Adjustments for:					
Depreciation expense		1,307	771	4,715	2,609
Interest expense		325	63	1,378	224
Interest Income		(543)	(48)	(648)	(167)
Loss/(Gain) on disposal of plant and equipment		213	2	335	(2)
Gain on disposal of subsidiary		(2,017)	(20)	(2,017)	(20)
Plant and equipment written off		-	(19)	50	-
Amortisation of goodwill on consolidation and other goodwill		729	194	2,452	714
Operating profit before working capital changes		19,615	7,275	58,353	24,794
Trade receivables		(6,260)	(1,773)	(13,159)	(5,079)
Other receivables and prepaid expenses		(44,066)	5,606	(40,248)	(1,038)
Inventories		5,806	(4,231)	1,783	(5,454)
Trade payables		12,681	(4,492)	11,067	(2,505)
Other payables		57,053	3,363	52,971	1,645
Cash generated from operations		44,829	5,748	70,767	12,363
Income tax (paid) / refund		473	(1)	(983)	(2,476)
Net cash from operating activities		45,302	5,795	69,784	9,887
Cash flows from investing activities:					
Acquisition of subsidiaries	**A**	(14,476)	428	(16,836)	428
Disposals of subsidiaries	**B**	2,965	(16)	2,965	(16)
Proceeds from disposal of plant and equipment		1,948	171	1,948	175
Purchase of plant and equipment		(6,117)	(75)	(12,124)	(5,751)
Purchase of businesses	**C**	1,412	-	(11,891)	(2,403)
Increase in investments/bonds in associates - net	**D**	(1,066)	-	(14,461)	(542)
Advance payments for investments		(15,643)	(14,412)	(15,643)	(18,296)
Payment of deferred purchase consideration		-	-	-	(3,932)
Interest received		543	48	648	167
Cash and cash equivalents subject to restriction		(3,675)	-	(3,675)	(3,970)
Net cash used in investing activities		(34,109)	(13,904)	(69,069)	(34,140)
Cash flows from financing activities:					
Interest paid		(325)	(63)	(1,378)	(224)
Proceeds from short term loans		5,454	13,071	16,437	20,201
Proceeds from issuing shares to minority shareholders		-	12	-	231
Long term receivables due from associates		(22,044)	-	(22,044)	-
Proceeds from issuing shares		1,509	(88)	4,364	27,339
Decrease in finance leases		(156)	(311)	(375)	(406)
Net cash from financing activities		(15,562)	12,621	(2,996)	47,141
Net effect of exchange rate changes in consolidating subsidiaries		824	(589)	(8)	(1,000)
Net (decrease)/increase in cash		(3,545)	3,923	(2,289)	21,888
Balance at beginning of year		28,926	23,747	27,670	5,782
Balance at end of year	**G**	**25,381**	**27,670**	**25,381**	**27,670**

Notes to the consolidated cash flow statements

A. Summary of effects of acquisition of subsidiaries as at 31 December 2004:

	$'000
Cash	3,302
Other current assets	20,765
Current liabilities	(30,647)
Net current assets	(6,580)
Non-current assets	3,416
Goodwill on acquisition of subsidiaries	39,844
Goodwill on adjustment to cost	53
Minority interest share in net assets	(69)
Purchase consideration discharged by cash	36,664
Less:	
Deferred consideration	(2,280)
Advance payments made in prior year	(14,246)
Less: cash of acquired subsidiaries	(3,302)
Net cash outflow from acquisition of subsidiaries	16,836

B. Summary of effects of disposal of subsidiaries as at 31 December 2004:

	S$'000
Cash	7,942
Other current assets	103,516
Current liabilities	(122,997)
Net current assets	(11,539)
Non-current assets	49,553
Non-current liabilities	(280)
Reclassification to investment in associates	(23,484)
Unquoted redeemable convertible bonds	(1,360)
Retention receivable	(4,000)
Share of net assets disposed	8,890
Gain on disposal/dilution of subsidiaries	2,017
Cash consideration	10,907
Cash of disposed subsidiaries	(7,942)
Net cash inflow on disposal of subsidiaries	2,965

C. This relates to acquisitions of various businesses by DMSPL.

D. This relates mainly to the investment in bonds of Ventures Management Solutions Pte Ltd and equity interests of Mobile CCS Holdings Pte Ltd and Distribution Management Solutions (Hong Kong) Co. Ltd.

E. Please refer to Balance Sheet commentary Note (i).

F. This represents the security deposit on the disposal of DMSPL.

G. Cash at end of period in the consolidated cash flow statement comprise the following balance sheet amounts:-

	2004 $'000	2003 $'000
Cash and cash equivalents	34,026	32,640
Less: Cash and cash equivalents subject to restriction	(8,645)	(4,970)
	25,381	27,670

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Issued capital (ordinary shares) $'000	Capital redemption reserve $'000	Share premium $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total $'000
Balance at January 1, 2003	5,000	22	-	(299)	17,357	22,080
Allotment and issue of new ordinary shares						
Pursuant to pre-invitation ESOS	799	-	4,201	-	-	5,000
Conversion of redeemable preference shares	823	-	174	-	-	997
Conversion of redeemable convertible bond	1,366	-	17,634	-	-	19,000
Bonus issue	5,591	-	-	-	(5,591)	-
Public issue	2,250	-	22,050	-	-	24,300
IPO Expenses	-	-	(1,961)	-	-	(1,961)
Net profit for the year	-	-	-	-	21,180	21,180
Foreign currency translation	-	-	-	843	-	843
Balance at December 31, 2003	15,829	22	42,098	544	32,946	91,439
Group						
Balance at January 1, 2004	15,829	22	42,098	544	32,946	91,439
Net profit for the year	-	-	-	-	47,415	47,415
Bonus issue	7,915	-	(7,915)	-	-	-
Issue of shares pursuant to the Scheme	273	-	4,091	-	-	4,364
Foreign currency translation	-	-	-	(1,062)	-	(1,062)
Balance at December 31, 2004	24,017	22	38,274	(518)	80,361	142,156
Company						
Balance at January 1, 2003	5,000	22	-	-	11,252	16,274
Allotment and issue of new ordinary shares						
Pursuant to pre-invitation ESOS	799	-	4,201	-	-	5,000
Conversion of redeemable preference shares	823	-	174	-	-	997
Conversion of redeemable convertible bond	1,366	-	17,634	-	-	19,000
Bonus issue	5,591	-	-	-	(5,591)	-
Public issue	2,250	-	22,050	-	-	24,300
IPO Expenses	-	-	(1,961)	-	-	(1,961)
Net profit for the year	-	-	-	-	4,006	4,006
Balance at December 31, 2003	15,829	22	42,098	-	9,667	67,616
Company						
Balance at January 1, 2004	15,829	22	42,098	-	9,667	67,616
Net profit for the year	-	-	-	-	15,399	15,399
Bonus issue	7,915	-	(7,915)	-	-	-
Issue of shares pursuant to the Scheme	273	-	4,091	-	-	4,364
Balance at December 31, 2004	24,017	22	38,274	-	25,066	87,379

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

The ACCS Share Option Scheme 2003 (the "Scheme") was approved and adopted by members at the Extraordinary General Meeting held on 13 January 2003. The price at which a participant of the Scheme shall subscribe for each share upon the exercise of an option was determined based on the average closing prices of the shares for each of the last five market days immediately preceding the date of grant of the options ("Date of Grant"). The vesting period of the options commences on the date not earlier than the first anniversary of the Date of Grant and expires on the tenth anniversary of the Date of Grant.

On 26 February 2004, the Company announced a bonus issue in the capital of the Company on the basis of one (1) bonus share for every two (2) existing ordinary shares held ("Bonus Issue"). The Bonus Issue was approved by shareholders at an extraordinary general meeting of the Company on 14 April 2004. As such, the number of share options granted and the subscription price has been adjusted to reflect the Bonus Issue in accordance with the rules of the Scheme.

The share options granted and exercised during the financial year and share options outstanding as at December 31, 2004 under the Scheme were as follows:

Date of grant	Balance at January 1, 2004 or later at date of grant	Exercised	Lapsed/ Cancelled	Balance at Dec 31, 2004	Subscription price	Expiry date
September 17, 2003	14,055,000	(10,909,000)	(534,000)	2,612,000	$0.40	September 16, 2013
April 14, 2004	28,210,500	-	(1,252,500)	26,958,000	$0.651	April 13, 2014

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Applied consistently

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	2004 cents	2003 cents
EPS (based on consolidated net profit attributable to shareholders)		
- basic	4.98	2.30
- fully diluted	4.94	2.29

Basic earnings per ordinary share is computed based on the weighted average number of shares in issue during the period of 952,369,850 (31 December 2003: 922,743,480) of $0.025 each.

Fully diluted earnings per ordinary share is computed based on the weighted average number of shares during the period adjusted for the effect of all potential dilutive ordinary shares of 960,191,946 (31 December 2003: 923,412,765) of $0.025 each.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	2004 cents	2003 cents	2004 cents	2003 cents
Net Tangible Assets Value (NTA) per share	12.1	8.14	9.0	7.01

The NTA per Share as at 31 December 2004 is calculated based on 960,652,480 (31 Dec 2003: 949,743,475) ordinary shares of $0.025 each.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The Group operates in two business segments – after market services ("AMS") and distribution management solutions ("DMS").

With effect from 31 December 2004, the Group ceased to consolidate the results and net assets in the DMS segment following the dilution and disposal of its interest in DMSPL to 50%.

Revenue

Revenue of the Group increased by $239.7 million or 238%, from $100.7 million for the year ended 31 December 2003 to $340.4 million for the year ended 31 December 2004.

Breakdown of the Group's revenue by business segment is as follows:-

	Q4-04 $'000	Q4-03 $'000	2004 $'000	2003 $'000	Q4 Inc/(Dec) %	YTD Inc/(Dec) %
AMS	47,477	27,322	149,812	83,212	74%	80%
DMS	61,335	7,728	206,401	17,468	694%	1082%
	108,812	**35,050**	**356,213**	**100,680**	210%	254%
Less:						
Elimination of inter-company transactions	(11,113)	-	(15,799)	-		
Group Revenue	**97,699**	**35,050**	**340,414**	**100,680**	179%	238%

AMS revenue has increased by 80% to $149.8 million, up from $83.2 million for the year ended 31 December 2003. On a quarter-on-quarter basis, AMS revenue has increased by 74% or $20.2 million. The increase in AMS revenue is mainly attributed to the rapid expansion of the Group's regional AMS network, from 220 service centres as at 31 December 2003 to 476 service centres as at 31 December 2004. Higher volume of out warranty services undertaken during the year also contributed to the growth of the Group's AMS revenue.

Rapid growth of DMS activities, notably the retail and distribution businesses, contributed to the significant increase of DMS revenue by 1082% to $206.4 million, up from $17.5 million in 2003. On a quarter-on-quarter basis, DMS revenue increased by $53.6 million or 694%. As of December 2004, DMS revenue accounts for 60.1% (2003: 17.4%) of the Group's full year revenue.

South Asia, North Asia and South Pacific region's revenue has increased by $212.7 million, $8.8 million and $18.1 million respectively. The increase in South Asia region's revenue is mainly due to higher volume of out warranty services and more DMS activities undertaken during the year. The increase in North Asia and South Pacific region's revenue is mainly attributable to the continued expansion of AMS network during the year.

Profit before income tax

Pretax profit of the Group for the year ended 31 December 2004 increased by $30.6 million, mainly due to increase in revenue as explained in the above paragraphs. Pretax margin stood at 15.3% as of 31 December 2004, down from 21.3% compared to year ended 31 December 2003. The following paragraphs explain the fluctuation in AMS and DMS margins.

Breakdown of the Group's profit before income tax by business segment is as follows:

	Q4-04 $'000	Q4-03 $'000	2004 $'000	2003 $'000	Q4 Inc/(Dec) %	YTD Inc/(Dec) %
AMS	15,256	5,571	39,303	19,733	174%	99%
DMS	4,345	761	12,786	1,703	471%	651%
	19,601	**6,332**	**52,089**	**21,436**	210%	143%

AMS segment's profit before tax margin stood at 26.2% in 2004, up by 2.5% pt as compared to 23.7% for 2003. The increase is mainly due to higher proportion of out-warranty revenue, which earns a relatively higher margin than in-warranty revenue.

DMS segment's profit before tax margin decreased by 3.5% pt, from 9.7% in 2003 to 6.2% in 2004. The decrease is due to higher contribution from the retail, distribution and trading businesses, which earns a lower profit margin as compared to logistics business, from which DMS profit in 2003 were mainly derived.

The increase in profit for South Asia, North Asia and South Pacific regions is attributed to the increase in revenue of each region.

Cash flows

Please refer to notes for cash flow statement.

The Board may amend the unaudited FY2004 results if the Company uncovers any material financial information arising from its assistance with the ongoing CAD investigations.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In the 4th quarter of 2004, the Group continued to grow its AMS business. As at 31 December 2004, the Group's network of 476 service centres, comprising 287 dedicated brand centres and 189 authorised service centres located in multi-brand service hubs (in 64 locations) in 163 cities/towns across 15 countries/territories. The network covers a total of 37 brands including, Alcatel, BenQ, Bird, Blackberry, CECT, Cosun, Daxian, DBTel, Dopoda, Emol, Fengda, Gtran, Haier, Hisense, Hyundai, ikomo, InFocus, Kyocera, Lenovo, LG, Mitsubishi, Motorola, NEC, Nokia, O_2, Panasonic, Pantech & Curitel, Philips, Psion, Sagem, Samsung, Sharp, Siemens, Sony Ericsson, Soutech, TCL and Toshiba.

	As at 31 Dec 2004	As at 30 Sep 2004
Brands	37	36
Service Centres	476	381
Repair Management Centres	668	668
Countries/Territories	15	15
Cities/Towns	163	147
Staff	2,400 *	2,390

* *estimated*

The increase in the number of centres as at 31 December 2004 were mainly from the set-up of over 100 dedicated and multiple-brand centres for several brands including Alcatel, Axesstel, BenQ, Philips, Samsung and Sony Ericsson mainly in India, Malaysia, the PRC and the South Pacific. Two new brands, namely, Blackberry (one centre in Australia) and Pantech & Curitel (one centre in South Korea) were added to the Group's stable. The Group has also ceased the provision of AMS for Sendo (nine centres), a UK-based manufacturer, in the Asia-Pacific region. In addition, we have rationalised and consolidated some of the multi-brand service hubs, mainly in Malaysia, in order to enhance operational efficiency.

Further to the Company's recent announcement on 17 February 2005, the Group will also cease the provision of AMS for Nokia centres in 10 countries, latest by 1 June 2005. The exception will be in New Zealand, where the Group will continue to provide AMS for Nokia.

Looking forward, the AMS business is expected to benefit from continuing outsourcing of AMS by manufacturers of mobile communication devices as well as telco operators. As one of the largest independent AMS providers in the Asia Pacific region, ACCS is able to provide its partners with extensive reach in terms of network coverage, leading technical and engineering expertise and a commitment to high level of customer service standards. The Company has announced today that it has signed a letter of intent with Motorola for the provision of regional AMS in South East Asia. The Company will make the relevant announcements when the terms and conditions are finalised.

We believe that the PRC and Indian markets will continue to drive our future growth.

PRC

The PRC, which is the world's largest mobile phone market, is still highly fragmented with thousands of players. We expect the industry to consolidate and the larger players with greater network coverage and financial strength will gain market share.

In a memorandum of understanding signed in November 2004, ACCS acquired a PRC-based AMS provider with 16 service centres and a market presence in three other provinces that ACCS is not already in. Upon signing of the agreement and legal completion of this PRC acquisition, the Group will have an AMS network of over 60 centres in the PRC, with brand coverage in the PRC increasing by eight to 26. The Company is also actively in discussions with potential strategic partners to fast track its expansion in the PRC.

India

In India, where current mobile penetration rate is still very low, lower import tariffs as well as continued economic strength have encouraged telco operators and manufacturers to expand aggressively. We are fast establishing ourselves as the largest independent AMS provider in India. As at 31 December 2004, the Group has an AMS network of over 150 service centres in India for several brands including Alcatel, Gtran, Hyundai, LG, Motorola and Nokia. With this, we believe we are well-positioned as the AMS partner of choice for manufacturers looking to build up a strategic presence in the promising Indian market.

Out-warranty business

The Group is also leveraging on its extensive regional network to further expand its out-warranty services which includes servicing handsets outside of the manufacturer's warranty period and/or scope of warranty. The Group recently announced that it had secured three contracts with handset distributors to provide out-warranty AMS services for trade-in handsets in the Greater China region and India.

While the Board of Directors expect the operating environment for the core business to be positive, the ongoing investigations by CAD have given rise to some uncertainties. The Board is working together with management to manage these uncertainties as the Company continues to serve its customers to its best efforts. We will also intensify our efforts to strengthen our relationships with existing customers and to secure new principals.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	NA
Dividend Type	
Dividend Rate	
Par value of shares	
Tax Rate	

(c) Date payable

NA

(d) Books closure date

NA

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared/recommended for the year ended 31 December 2004 (31 December 2003: $nil).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The segmental information for geographical regions is based on the locations of our service centres. In line with the group business strategy, the markets are currently grouped into three geographical regions, namely, South Asia, North Asia and South Pacific.

South Asia comprises Indonesia, the Philippines, Thailand, Malaysia, India, Vietnam, U.A.E and Singapore.
North Asia comprises PRC (including Hong Kong SAR), Taiwan, Japan and South Korea.
South Pacific comprises Australia and New Zealand.

Primary segment information for the group based on geographical segments for the year ended December 31, 2004 is as follows:

By Geographical Operations	South Asia $'000	North Asia $'000	South Pacific $'000	Consolidated $'000
31 December 2004				
REVENUE				
External sales	278,482	23,021	38,911	340,414
RESULTS				
Segment result	45,563	5,356	2,547	53,466
Finance costs				(1,378)
Profit before share of results of associates				52,088
Share of results of associates				(47)
Profit before income tax				52,041
Income tax expense				(4,185)
Profit after income tax				47,856

	South Asia $'000	North Asia $'000	South Pacific $'000	Consolidated $'000
31 December 2003				
REVENUE				
External sales	65,621	14,235	20,824	100,680
RESULTS				
Segment result	21,210	2,148	(1,698)	21,660
Finance costs				(224)
Profit before share of results of associates				21,436
Share of results of associates				-
Profit before income tax				21,436
Income tax expense				(264)
Profit after income tax				21,172

By Business Segment

The group operates in two business segments - after-market services ("AMS") and distribution management solutions ("DMS").

With effect from December 31 2004, the Group ceased to consolidate the results and net assets in the DMS segment following the dilution of its interest in DMSPL to 50%.

Segment revenue: Segment revenue is the operating revenue reported in the group's profit and loss statement that is directly attributable to a segment and the relevant portion of such revenue that can be allocated on a reasonable basis to a segment.

Segment assets and capital expenditure: Segment assets and capital expenditure are analysed based on those assets used by a segment. Capital expenditure includes the total cost incurred to plant and equipment, and any intangible assets.

	Revenue		Assets		Capital Expenditure	
	2004	2003	2004	2003	2004	2003
	$'000	$'000	$'000	$'000	$'000	$'000
AMS	134,013	83,212	188,219	127,597	10,916	6,034
DMS	206,401	17,468	-	11,551	1,749	5
Total	340,414	100,680	188,219	139,148	12,665	6,039

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to note 8

15. A breakdown of sales

	2004	2003	
	$'000	$'000	% inc/(dec)
Group			
Sales reported for first half year	123,489	38,462	221%
Operating profit after tax before deducting minority interest reported for the first half	18,206	7,711	136%
Sales reported for second half year	216,925	62,218	249%
Operating profit after tax before deducting minority interest reported for the second half	29,650	13,461	120%

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	Latest Full Year (2004)	Previous Full Year (2003)
Ordinary	0	0
Preference	0	0
Total:	0	0

BY ORDER OF THE BOARD

Woo Kah Wai
Company Secretary
22 February 2005