Annual Report 2003

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

Contents

Vision

Our vision is to be a global leader in after-market services for high-tech consumer products

Corporate Profile

Accord Customer Care Solutions is the dominant player in the pan-Asia after-sales market for mobile communications and high-tech consumer products. We offer a comprehensive suite of integrated after-sales customer services on behalf of our partners (both manufacturers and telecommunication network operators) to their end customers through proximity service centres and third-party repair management centres. We also provide forward logistics services in the areas of procurement and inventory management for manufacturers, distributors and other AMS providers.

As at 31 December 2003, ACCS operates an AMS network of 220 service centres and 168 third-party repair management centres and in 48 cities/towns across 14 countries/territories in the pan-Asia region.

We offer after-market services for leading manufacturers of the following brands:

Mobile Communication Devices Manufacturers

- Alcatel, Audiovox, Bird, CECT, Daxian, Haier, Hyundai, Ikomo, Kyocera, LG, Motorola, NEC, Nokia, O_2, Panasonic, Philips, Psion, Sagem, Samsung, Sendo, Sharp, Siemens, Sony Ericsson, TCL

High-Tech Consumer Products Manufacturers

- Samsung, Philips

Our business partners include major telecommunication network operators:

- Singapore Telecommunications (Singapore)
- MobileOne (Singapore)
- Globe Telecom (Philippines)
- Digital Total Access Communications (Thailand)

Business Network

Greater China

- Hong Kong SAR (Wanchai)
- The PRC (Beijing, Guangzhou, Hebei, Shandong, Shanghai, Suzhou, Tianjin)
- Taiwan (Kaohsiung, Taipei)

North Asia

- Japan (Tokyo)
- South Korea (Busan, Seoul)

South Asia

- Indonesia (Bandung, Jakarta, Semarang, Surabaya)
- Malaysia (Johor Bahru, Kota Bahru, Kota Kinabalu, Kuala Lumpur, Kuantan, Kuching, Penang, Petaling Jaya)
- The Philippines (Cebu, Davao City, Manila, Makati, Muntinlupa City)
- Singapore
- Thailand (Bangkok, Chiangmai, Pathumthani, Samudprakran, Udonthani)
- Vietnam (Hanoi, Ho Chi Minh City)

South Pacific

- Australia (Adelaide, Brisbane, Darwin, Melbourne, Hobart, Perth, Sydney)
- New Zealand (Auckland, Wellington)

Middle East

- United Arab Emirates (Dubai)

As at 31 December 2003

Milestones in 2003

2003 was an exciting year for ACCS as we witnessed the rapid expansion of our AMS network in the region. We were also awarded several new contracts by manufacturers of communication devices and high-tech consumer products.

PRC Network

- Service centre network in the PRC grew from just one service centre at the beginning of 2003 to 30 as at 31 December 2003
- Added five new brands to our coverage, namely Bird, CECT, Daxian, Haier and TCL

Motorola (India) Contract

- Appointed by Motorola (India) to set up and manage a nationwide AMS network for both GSM and CDMA cellular phones in India. Network will comprise 600 service points which includes 100 service centres and 500 repair management centres

Nokia (Australia) Contract

- Appointed by Nokia to operate nationwide service network

Alcatel Global Contract

- Appointed by Alcatel to manage a global AMS network in multiple continents

Second Consumer Electronics Brand

- Appointed by Philips to provide AMS for selected consumer electronics and domestic appliances in Singapore

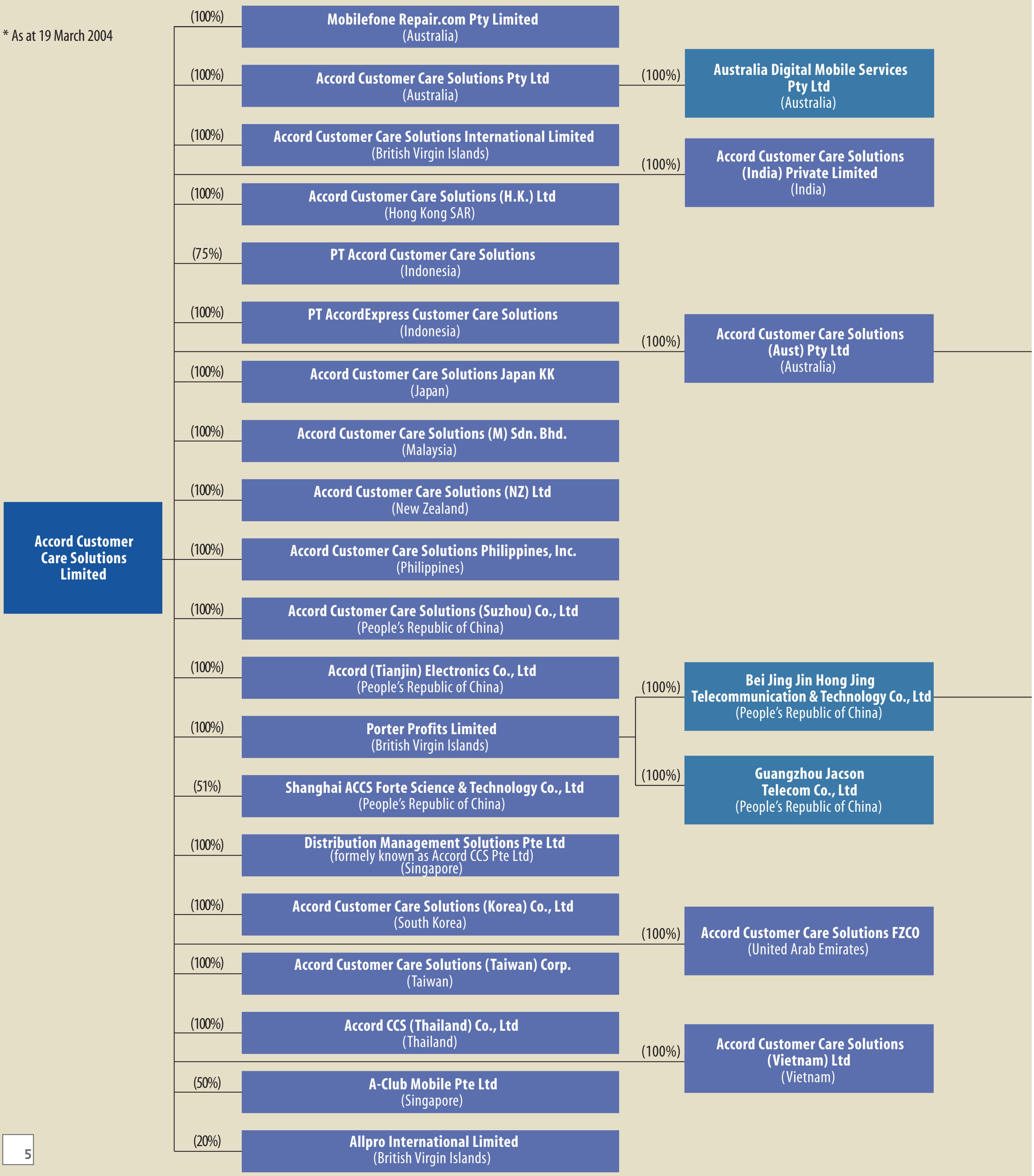
Refurbishment Contracts

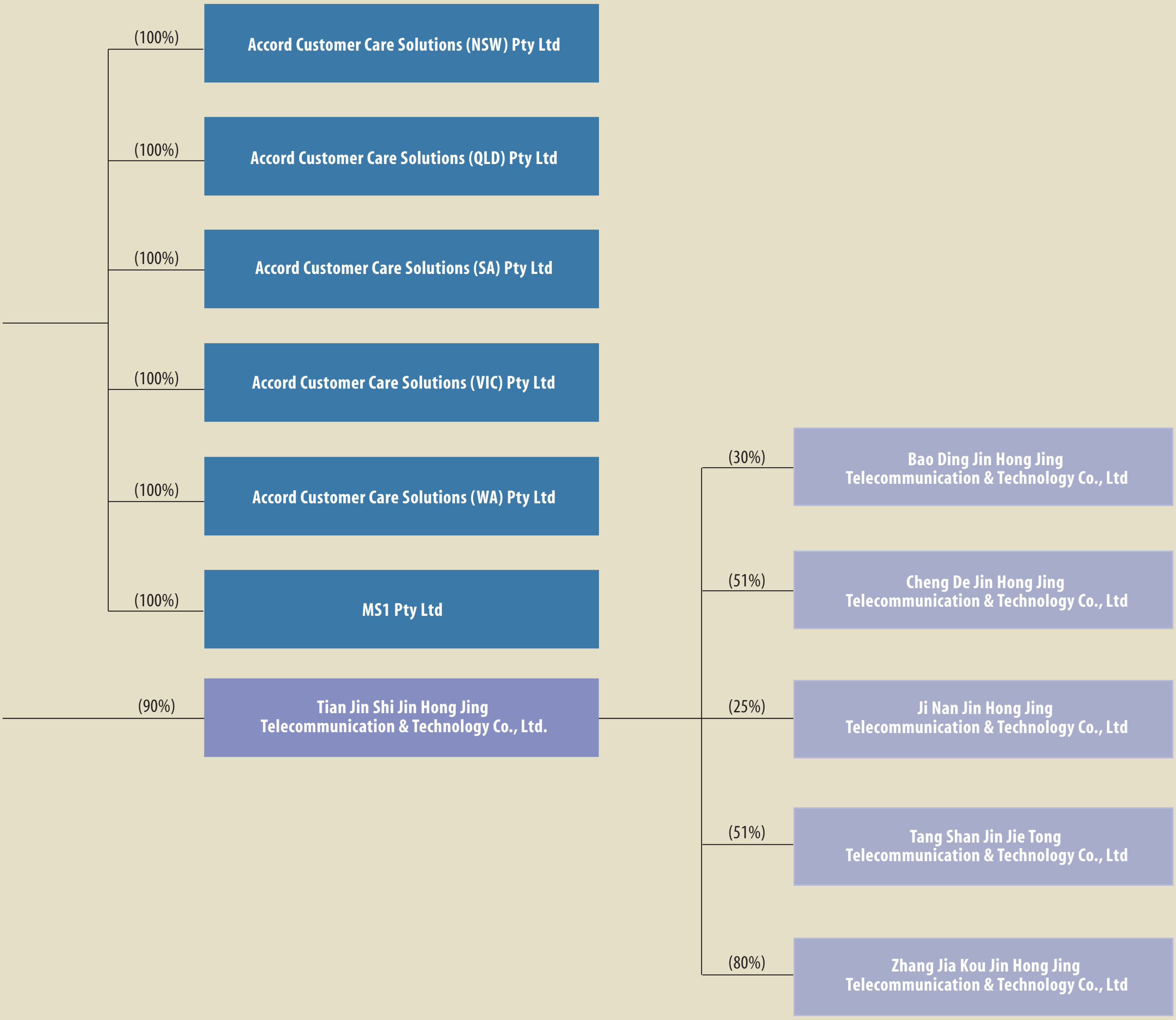
- Clinched refurbishment contracts with several mobile phone distributors in the region

Asiamoney Best Managed Companies Poll 2003

- Voted Best Newly Listed Company in Singapore, Sixth Overall Best Managed Company in Singapore and the Second Best Small Cap Company in Singapore

Group Structure




(100%)
Accord Customer Care Solutions (NSW) Pty Ltd
(100%)
Accord Customer Care Solutions (QLD) Pty Ltd
(100%)
Accord Customer Care Solutions (SA) Pty Ltd
(100%)
Accord Customer Care Solutions (VIC) Pty Ltd
(100%)
Accord Customer Care Solutions (WA) Pty Ltd
(100%)
MS1 Pty Ltd
(90%)
Tian Jin Shi Jin Hong Jing Telecommunication & Technology Co., Ltd.
(30%)
Bao Ding Jin Hong Jing Telecommunication & Technology Co., Ltd
(51%)
Cheng De Jin Hong Jing Telecommunication & Technology Co., Ltd
(25%)
Ji Nan Jin Hong Jing Telecommunication & Technology Co., Ltd
(51%)
Tang Shan Jin Jie Tong Telecommunication & Technology Co., Ltd
(80%)
Zhang Jia Kou Jin Hong Jing Telecommunication & Technology Co., Ltd

Financial Highlights

	2003	2002	% chg
For the year (S$'000)			
Revenue	100,680	69,992	44%
Operating Profit	21,660	17,418	24%
Pretax Profit	21,436	15,076	42%
Net Profit Attributable to Shareholders	21,180	12,521	69%
Net Operating Cashflow Generated	10,054	5,044	99%
At end of year (S$'000)			
Total Assets	139,148	71,559	94%
Total Liabilities	47,709	49,479	-4%
Share Capital	15,829	5,000	217%
Shareholders' Funds	91,439	22,080	314%
Cash	32,640	6,839	377%
Borrowings	24,941	4,740	426%
Debt/Equity Ratio	27%	21%	
Per Share Statistics (Scts)			
Net Profit Attributable to Shareholders	3.44	2.31	
Net Tangible Assets	12.21	3.33	
Return On Shareholders' Funds	23%	57%	

2003 Quarterly Performance

S$'000	Q1	Q2	Q3	Q4
Revenue	15,767	22,695	27,168	35,050
Operating Profit	3,567	5,567	6,131	6,395
Pretax Profit	3,533	5,541	6,030	6,332
Net Profit Attributable to Shareholders	3,000	4,702	5,125	8,353

Corporate Information

Executive Directors	Victor Tan Hor Peow *Managing Director / Chief Executive Officer* Yong Kin Kwong Edmund *Executive Director / Chief Operating Officer* Yip Hwai Chong *Executive Director / Chief Financial Officer*
Non-Executive Directors	Henry Tan Hor Thye *Non-Executive Chairman* Ronnie Poh Tian Peng *Non-Executive Director* Liow Voon Kheong *Non-Executive Director* Chia Leok Yeen *Alternate Director to Liow Voon Kheong* Dr Wang Kai Yuen *Independent Non-Executive Director* Chia Mui Leng Alick *Independent Non-Executive Director* Leow Poh Tat Philip *Independent Non-Executive Director* Gay Chee Cheong *Non-Executive Director* Ng Ee Peng Ed *Independent Non-Executive Director*
Remuneration Committee	Dr Wang Kai Yuen (Chairman) Leow Poh Tat Philip Henry Tan Hor Thye
Audit Committee	Chia Mui Leng Alick (Chairman) Dr Wang Kai Yuen Leow Poh Tat Philip
Nomination Committee	Leow Poh Tat Philip (Chairman) Ronnie Poh Tian Peng Chia Mui Leng Alick
Company Secretary	Woo Kah Wai, LL.B (Hons) C.Dip.A.F.

Registered Office:

20 Toh Guan Road
#07-00 Accord Distri Centre
Singapore 608839
Tel: (65) 6410 2600
Fax: (65) 6410 2610
Hotline: (65) 6338 2227 (MEET ACCS)
Website: http://www.accordccs.com

Share Registrar:

Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315
Person-in-charge: David Woo

Auditor:

Deloitte & Touche
Certified Public Accountants
6 Shenton Way
#32-00 DBS Building Tower Two
Singapore 068809
Partner-in-charge: Aric Loh Siang Khee
Date of Appointment: 26 April 2002

Letter to Shareholders

Henry Tan Hor Thye
Chairman

Victor Tan Hor Peow
Chief Executive Officer and Managing Director

2003 was indeed a remarkable year. We are pleased to report that Group revenues advanced past the S$100 million mark last year in just four years since we commenced operations. In 2003, ACCS achieved record revenues of S$100.7 million, up 44%. Pretax profits also grew 42% to S$21.4 million while net profits attributable to shareholders rose 69% to S$21.2 million. Earnings per share were Scts 3.44 (2002: Scts 2.31). In the last four years, Group revenues have grown by a compounded average growth rate (CAGR) of 580% and net earnings by a CAGR of 280%.

Even with the strong expansion in business, we continued to generate a healthy net operating cashflow of S$10.1 million (2002: S$5.0 million). As at end December 2003, ACCS' financial position remained strong with total assets of S$139 million, of which S$32.6 million is cash reserves. Debt to Equity ratio is a low 27%.

In our first year of listing, ACCS' market capitalization has grown significantly from S$227.9 million based on our initial public offer, to S$424.2 million, as at 31 December 2003. To date, it has risen further to S$531.9 million as at 19 March 2004.

The directors have recommended a bonus issue of one bonus share for every two existing shares held.

Execution of Strategy in 2003

We continued to make bold strides towards achieving our vision of becoming a leading global AMS provider. Key contract wins during the year were from global manufacturers such as Alcatel for an AMS network across multiple continents, Nokia for a nationwide AMS network in Australia and from Motorola for a nationwide AMS network in India.

In 2003, we more than doubled our network to 220 service centres across 14 countries. In addition, we also manage 168 repair management centres. During the year, we increased the number of brands in our portfolio to 24.

Outlook

2004 will be another exciting year of growth for ACCS as we continue to expand our network and as new business initiatives bear fruits.

Ongoing consolidation in AMS industry benefits big players like ACCS

The fragmented regional AMS industry is trending towards fewer and larger independent AMS providers as manufacturers seek to reduce costs of managing multiple service providers. Our business model is one that thrives on "network economics"; we aim to be the biggest and the best as we position ourselves to be a preferred global AMS partner.

Trend towards sophisticated devices benefits technologically advanced players like ACCS

Consumers are also leaning towards more sophisticated mobile communication devices and converged devices such as smartphones and PDA/phones. AMS providers who are armed with the latest emerging technologies and engineering capabilities will be the clear winners. We are proud to say that we are amongst the first AMS providers in the region to provide after-sales service to 3G phones and we are also amongst the first with the technology to test and repair CDMA wideband phones in Asia.

Eye on PRC and India

We expect to further expand our network of service centres from 220 as at the end of 2003 to more than 400 by the end of 2004.

We will keep our focus on two markets with great growth potential – PRC and India. We are excited about the headway that we are making in the PRC; the largest mobile market in the world with 270 million subscribers and a still low penetration rate of 20% (Source: Ministry of Information Industry, PRC). Our current network of 30 service centres covers seven provinces and we are actively exploring possible joint ventures with established industry players to accelerate our network expansion in the PRC.

Equally exciting is India where the total mobile subscriber base of 31.4 million as at end February 2004, represents a penetration of about 3% (Source: Cellular Operators Association of India) and where economic affluence is rapidly growing. We aim to be one of the biggest independent AMS players in India, starting with the rollout of the Motorola network of 600 service points which includes 100 service centres and 500 repair management centres.

We expect our business in the PRC and India to become significant contributors to the Group's performance in the coming years.

Growing New Revenue Streams in CE Products and Refurbishment

Currently, we provide AMS for Samsung and Philips' consumer products in Singapore. Going forward, we will focus on partnering these principals in other regional markets and on securing new principals.

> "Our business model is one that thrives on "network economics"; we aim to be the biggest and the best as we position ourselves to be a preferred global AMS partner."

Last year, we also increased our out-warranty volumes through the refurbishment of trade-in handsets on behalf of several mobile phone distributors in the region. We intend to grow this new revenue stream further in the coming year.

Separate Listing for DMS

We see tremendous growth opportunities for our DMS division, which offers a unique solution to key players in the telco industry, including manufacturers, distributors and AMS providers. Last year, the DMS division recorded revenues of S$17.5 million and it continues to secure new contracts in the current year.

Even as DMS emerges as a strong and distinct engine of growth for the Group, we also recognize that we need to maintain our forte as an independent AMS provider. We intend to focus on our core AMS business and as such, a separate management team will be managing the DMS business. We will also be seeking a separate listing for DMS on the Singapore Stock Exchange.

Commitment to Shareholders

We remain committed to high standards of corporate governance and will continue to uphold stringent governance procedures and corporate transparency and accountability principles that will not only safeguard shareholders' interests but also ensure that we maximise shareholder value as well. In line with this commitment and to reflect greater board independence, we are streamlining the composition of our Board of Directors from the current 11 directors to seven directors. In so doing, the three Independent Directors will now account for more than one-third of the Board.

Our efforts have not gone unrecognized by the investing community. ACCS was voted **Best Newly Listed Company in Singapore, Sixth Overall Best Managed Company in Singapore** and the **Second Best Small Cap Company in Singapore** in an Asiamoney 2003 poll of 3,000 fund managers and analysts. Indeed, this is a strong testimony of investors' endorsement of our corporate strategy, unique business model and growth potential.

In March 2004, ACCS was included in the FTSE Global Small Cap Index, part of the prestigious FTSE Global Index Series. FTSE indices are widely used by global investors to benchmark some US$2.5 trillion in assets.

Appreciation

Making our vision a reality is a group of 1,300 very committed and very motivated employees, and we want to thank all of them for their service to ACCS.

We would also like to thank our board of directors for their prudent counsel and guidance in the execution of our strategy last year. To Ronnie Poh, Alick Chia, Edmund Yong and Yip Hwai Chong who are stepping down as Directors from the Board this year, we thank them for their invaluable service in the past two years. Both Edmund Yong and Yip Hwai Chong, who are stepping down as Executive Directors, will continue to serve on the key management team; Edmund Yong as Chief Operating Officer and Yip Hwai Chong as Chief Financial Officer. We also welcome Gay Chee Cheong and Ed Ng as our new Non-Executive Directors to our Board.

We are always grateful for the support that we have received from our business partners and customers.

To our shareholders, we would like to express our gratitude to you for your continuing confidence in ACCS.

Henry Tan Hor Thye
Chairman

Victor Tan Hor Peow
Chief Executive Officer and
Managing Director

Board of Directors and Key Management

From left to right:

Ronnie Poh Tian Peng Non-Executive Director

Chia Mui Leng Alick Independent Non-Executive Director

Gay Chee Cheong Non-Executive Director

Leow Poh Tat Philip Independent Non-Executive Director

Victor Tan Hor Peow Managing Director/Chief Executive Officer

Henry Tan Hor Thye Non-Executive Chairman

Liow Voon Kheong Non-Executive Director

Dr Wang Kai Yuen Independent Non-Executive Director

Yong Kin Kwong Edmund Executive Director/ Chief Operating Officer

Yip Hwai Chong Executive Director/ Chief Financial Officer

Not in picture:

Ng Ee Peng Ed Independent Non-Executive Director

Chia Leok Yeen Alternate Director to Liow Voon Kheong

Henry Tan Hor Thye
Non-Executive Chairman

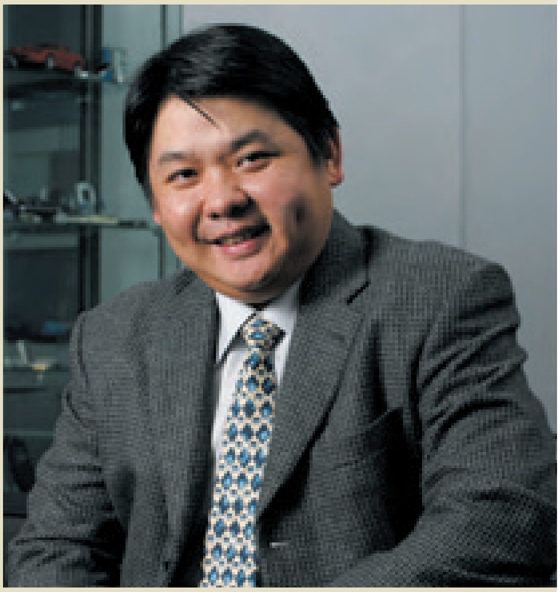
Henry Tan Hor Thye is our founder and Non-Executive Chairman. He was appointed to our Board on 21 October 2000 and was re-elected on 6 August 2002. He is also the founder and chairman and CEO of the Accord Express Holdings group of companies, a leading provider of third-party logistics with an extensive network in the Asia-Pacific region.

Mr Tan is a member of the Economic Review Committee's Sub-committee for Service Industries Working Group on Logistics and Land & Transport Taskforce. In serving the community, he is the chairman for both the Bukit Timah Citizens' Consultative Committee and the T-net Club advisory committee. Mr Tan is also a member of the Workforce Development Agency. He holds a GCE 'A' Levels certificate.

Victor Tan Hor Peow
Managing Director/ Chief Executive Officer

Victor Tan Hor Peow is our founder, Managing Director and Chief Executive Officer. He was appointed to our Board on 21 October 2000 and was re-elected on 6 August 2002. He founded ACCS in 1999, when he recognized the immense business potential of after-market services for mobile communication devices and high-tech consumer products. As CEO/MD, Mr Tan is responsible for developing and steering the strategic directions of ACCS. He also oversees the Mergers and Acquisitions, Quality Assurance and Corporate Affairs (Investor Relations, Public Relations and Legal) departments within the Group.

Mr Tan was previously with Accord Express Holdings (AEH) where he played a critical role in the successful transformation of the AEH group from a traditional transport and freight forwarding company into a leading provider of third-party logistics in the region since 1996. He graduated from Ngee Ann Polytechnic with a Diploma in Business Administration.



Yong Kin Kwong Edmund
Executive Director/ Chief Operating Officer

Yong Yin Kwong, Edmund is our Executive Director and Chief Operating Officer. He was appointed to the Board on 28 September 2001 and was re-elected on 6 August 2002. He is responsible for the operations of the ACCS Group as well as identifying and developing new revenue streams, network expansion strategy and resource management. Prior to joining ACCS, Mr Yong was the Vice-President (Investments) of EDB Ventures from September 1988 to April 2002, where he managed M-Commerce Ventures, a global worldwide wireless focused fund. Previously, Mr Yong was the Group Executive Director of Markono Holdings, a diversified group with interests in logistics, printing and trading and was also the Finance Director of the Raffles Medical Group.

Mr Yong graduated with a Bachelor of Commerce from the University of Otago in New Zealand. He also holds an ACA (ICAEW) from the Institute of Chartered Accountant and an ACIS from the Association of Chartered Secretaries and Administrators.

Yip Hwai Chong
Executive Director/ Chief Financial Officer

Yip Hwai Chong is our Executive Director and Chief Financial Officer. He was appointed to the Board on 31 July 2002 and was re-elected on 14 May 2003. He manages the Corporate Services Division which includes Finance and Accounting, Administration and Human Resource Management. Prior to joining ACCS, Mr Yip was the Director of Corporate Services of Accord Express Holdings since 1999. Prior to that, he was with Keppel Logistics as its Finance/Business Development Manager and he was also previously the Finance and Administrative Manager of Gain City-Best Electric Pte Ltd. Mr Yip holds a Bachelor of Accounting (Honours) from the National University of Singapore and is also a Certified Public Accountant of the Institute of Certified Public Accountants of Singapore.

Ronnie Poh Tian Peng
Non-Executive Director

Ronnie Poh Tian Peng is our Non-Executive Director. He was appointed to our Board on 31 July 2002 and was re-elected on 14 May 2003. Mr Poh is also the co-founder and Senior Executive Director of the Accord Express Holdings Group which he established together with Mr Henry Tan in 1984. He is currently the Managing Director of Accord Famous Logistics Pte Ltd. He holds a GCE 'O' Levels certificate.

Liow Voon Kheong
Non-Executive Director

Liow Voon Kheong is our Non-Executive Director. He was appointed to our Board on 30 April 2002 and was re-elected on 14 May 2003. He was appointed the General Manager of EDB Investments (EDBI) in 2002. Since 1976, Mr Liow has served EDB in several positions including Head (Venture Capital), Director (Electronics) and Assistant Managing Director (Operations), General Manager of EDBI and its subsidiaries such as EDB Ventures (EDBV) and PLE Investments (PLEI). He has also served on the Board of Directors of various investee companies of EDBI, EDBV and PLEI, as well as public institutions including Jurong Town Corporation and Temasek Polytechnic. Mr Liow holds a Bachelor of Engineering (Electronics) from the then University of Singapore and a Diploma in Business Administration from the National University of Singapore.

Mr Liow is also currently a director of Frontline Technologies Ltd.

Chia Leok Yeen
Alternate Director to Mr Liow Voon Kheong

Chia Leok Yeen is the Alternate Director to Mr Liow. She was appointed to our Board on 30 April 2002. She is currently a Vice President of EDB Investments (EDBI). Prior to that, Ms Chia was the Deputy Director of the Enterprise Development Division and concurrently, Senior Manager of EDBI. Ms Chia has been with EDB since 1973 and has more than 20 years of experience in dealing with local enterprise development. She holds a Bachelor of Arts from the then Nanyang University.

Dr Wang Kai Yuen
Independent Non-Executive Director

Dr Wang Kai Yuen is our Independent Non-Executive Director since 2002. He was appointed to our Board on 31 July 2002 and was re-elected on 14 May 2003. He is currently the Managing Director of Xerox Singapore Software Centre. Dr Wang is also a Member of Parliament since 1984. He currently represents the Bukit Timah Constituency and is the Chairman of both the Government Parliamentary Committee for Education and the Feedback Unit. Dr Wang holds a Bachelor of Engineering (First Class Honours) in Electrical and Electronics Engineering from the then University of Singapore, a Master of Science in Industrial Engineering, a Master of Science in Electrical Engineering and a Doctor of Philosophy in Engineering (Systems) from Stanford University.

Dr Wang is also currently a director of Asian Micro Holdings Ltd, COSCO Corporation (Singapore) Ltd, ComfortDelGro Corporation Limited, Hiap Hoe Ltd, Koon Holdings Limited, Matex International Ltd, Mayfran International Ltd, Nylect Technology Ltd, SuperBowl Holdings Ltd and Xpress Holdings Ltd.

Chia Mui Leng Alick
Independent Non-Executive Director

Chia Mui Leng, Alick is our Independent Non-Executive Director. He was appointed to our Board on 31 July 2002 and was re-elected on 14 May 2003. He is currently a Director of SKF South East Asia & Pacific Pte Ltd and has worked with the SKF Group for 25 years. Mr Chia holds a Master of Business Administration from Brunel University (UK), a Diploma in Purchasing and Supply Management from the Chartered Institute of Purchasing and Supply (UK), a Diploma in Marketing from CIM (UK), as well as a Diploma in Management Studies from the Singapore Institute of Management. Mr Chia is the current Chairman of the Singapore Institute of Purchasing and Materials Management Governing Council and the Head of the Business Survey Committee.

Leow Poh Tat Philip
Independent Non-Executive Director

Leow Poh Tat, Philip is our Independent Non-Executive Director. He was appointed to our Board on 31 July 2002 and was re-elected on 14 May 2003. He is currently the Executive Director of DTZ Debenham Tie Leung (SEA) Pte Ltd and also sits on the board of Edmund Tie and Company Holdings Pte Ltd. Mr Leow is a licensed valuer with more than 20 years of professional and management experience in the real estate industry in Singapore and the region. He holds a Bachelor of Science in Estate Management from the National University of Singapore and is also a member of the Singapore Institute of Surveyors and Valuers.

Gay Chee Cheong
Non-Executive Director

Gay Chee Cheong is our Non-Executive Director. He was appointed to our Board on 19 June 2003. He is the Deputy Chairman/Chief Executive Officer of 2G Capital Pte Ltd, a private equity investment company. Prior to that, he was the Group Executive Director of JIT Holdings Limited as well as the Managing Director of JIT Changi Logistics Centre (Singapore), JIT Electronics (Shanghai) Co., Ltd and JIT Electronics (Magyaroszag) kft (Hungary). Mr Gay was also previously with Singapore Technologies Pte Ltd as the General Manager/Director of a joint venture company. He was awarded the Singapore Armed Forces Overseas Training Award (Graduating) in 1975 and attended the Royal Military Academy (RMA) Sandhurst and the Royal Military College of Science, Shrivenham (UK) where he graduated with a Bachelor Degree in Electronics Engineering (Honours). Mr Gay also holds a Bachelor Degree in Economics (Honours) from the University of London, UK and a Master of Business Administration from the National University of Singapore.

Mr Gay is also currently a director of Avaplas Limited, Excelpoint Limited, Hyflux Limited, Pentex-Schweizer Ltd and Raffles Lasalle Limited.

Ng Ee Peng Ed
Independent Non-Executive Director

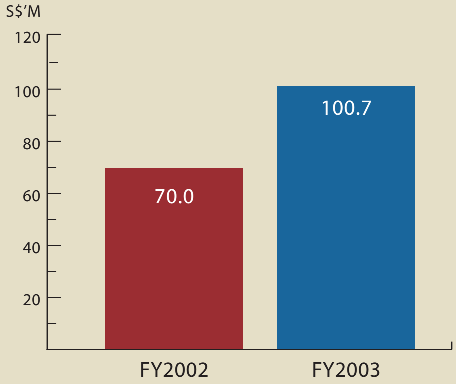
Ng Ee Peng, Ed is our Independent Non-Executive Director. He was appointed to our Board on 5 March 2004. Mr Ng is presently the President of Reed Exhibitions Pte Ltd and the President of Asian Aerospace Pte Ltd. Prior to that, he held various key executive management positions in the CapitaLand Group. Before he joined the CapitaLand Group, Mr Ng was the President and Country Manager of GE Capital Philippines and Singapore. His career also included a stint with the Singapore military, where he trained as a Commando officer and eventually became the Brigade Commander of a heliborne brigade. He holds a Bachelor of Science (First Class Honours) from the University of Manchester, Institute of Science and Technology, and a Master of Business Administration from the Harvard School of Business Administration. In serving the community, he is the Chairman of Keat Hong Citizens' Consultative Committee and is also involved with the Community Development Committee of YMCA.

Financial and Operations Review

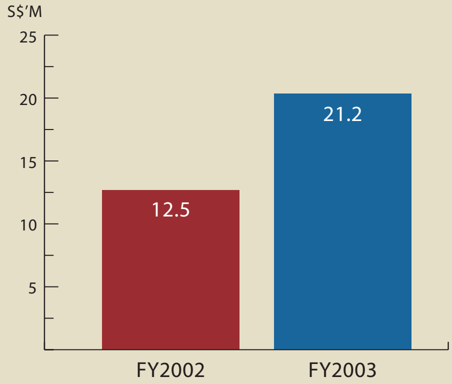
Network Expansion

	As at 31 December 2003				
	2003	2002	2001	2000	1999
Brands	24	18	14	4	1
Service Centres	220	98	62	11	2
Repair Management Centres	168	110	-	-	-
Countries/Territories	14	12	11	6	2
Cities/Towns	48	25	17	8	2
Staff	1,266	805	569	110	22

2003 Group Financial Highlights

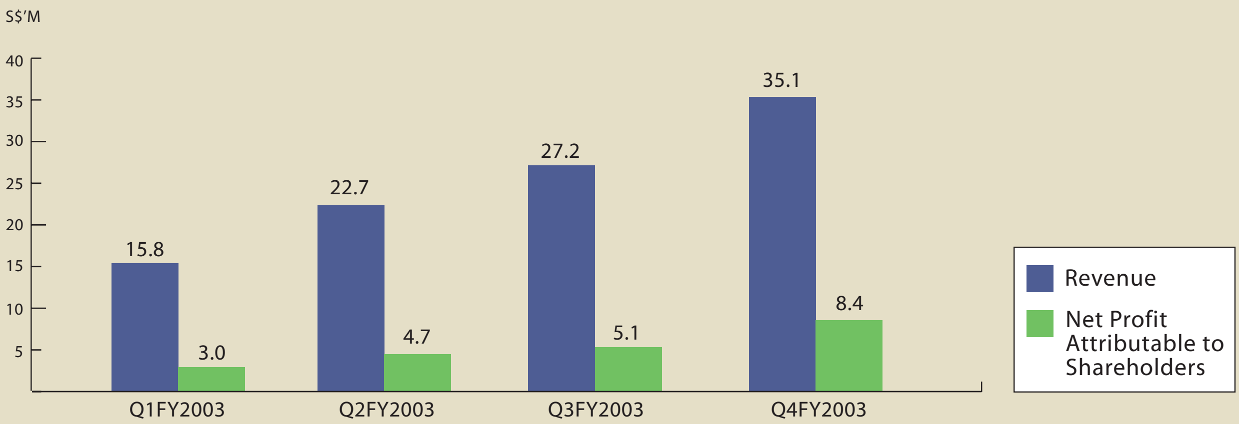


Revenue

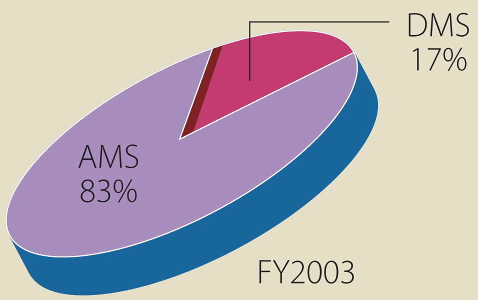


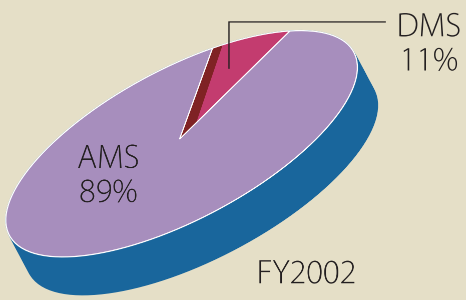
Net Profit Attributable to Shareholders

2003 Group Financial Highlights (con't)

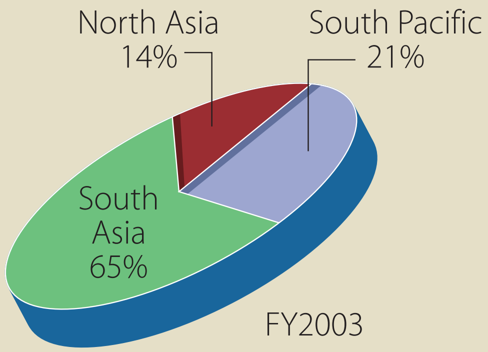


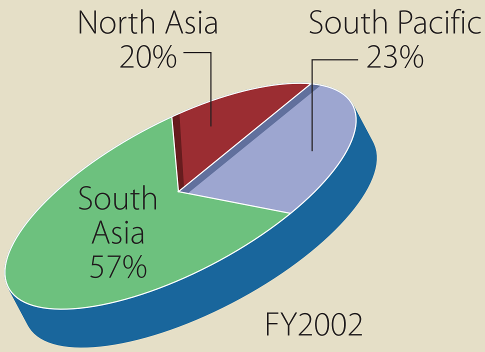
Revenue Contribution by Business Segment





Revenue Contribution by Geographical Region





For the full year, Group revenues rose 44% to S$100.7 million, attributed to a rapid expansion in our network, higher DMS activities as well as new refurbishment contracts. Our network of service centres more than doubled, from 98 service centres in the previous year to 220 as at the end of 2003. We now manage 168 repair management centres, compared to 110 the year before. The AMS division, which accounted for 83% of Group revenues grew 33%, boosted by new contracts, notably the global AMS contract from Alcatel in June 2003. We have also successfully made inroads into related business areas, including refurbishment projects with several mobile phone distributors in the region. Revenues from the DMS division grew 134% to S$17.5 million, mainly due to the global AMS contract from Alcatel which includes the management of spare parts and accessories, logistics management contracts from two distributors in 2003 as well as higher DMS volume from Sony Ericsson.

Last year, the South Asian region continued to dominate Group revenues, boosted mainly by the expansion in service centre network in the region as well as from the significant increase in contribution from our DMS activities. Revenues contributed by the South Pacific region rose by 30% last year attributable mainly to the expansion in service centre network arising from the acquisition of Mobilefone Repair.com Pty Ltd in the fourth quarter of 2003. Revenue contributions from North Asia were relatively stable as most of the service centres in the PRC were under management contact whereby we were paid a management fee. These centres were since acquired by us and the acquisitions were legally completed in the first quarter of 2004.

Operating profit increased at a lower rate of 24% to S$21.7 million due to pressure on service rates in the mature markets, lower profit margins at the DMS division and initial set-up costs for new service centres.

We also recognised a foreign exchange gain of S$2.3 million in 2003 (2002: S$0.6 million) mainly due to the appreciation of our AUD holdings that was used to fund the Group's operations in Australia and the rise in the EURO due to trade-related transactions. In addition, net cash generated from operations was a commendable S$10.1 million in 2003 compared to S$5.0 million previously. For 2003, the Group reported a 42% rise in pretax profits.

Taxation expense for the year was S$264,000 compared to S$2.5 million in FY02 due mainly to income derived from countries which are exempted or are not subjected to income tax. There was also a write-back for the overprovision of tax in the previous year. In addition, ACCS also benefited from tax incentives granted by the Economic Development Board of Singapore under its Business Headquarters

Programme. For the full year, Group net profits rose by 69% to S$21.2 million.

Our financial position at end 2003 remains healthy. With a positive net increase in cash last year and coupled with the proceeds from our initial public offering of S$27.3 million last year, the Group now has cash reserves of S$32.6 million. Bank borrowings were S$24.9 million, which were mainly used to finance our growing operations in the PRC as well as to support the higher level of DMS activities.

We are optimistic on the outlook for 2004. Besides the continuing growth in both the AMS and DMS businesses, Group earnings will also benefit from the full year impact of contracts secured last year. These include contracts from Alcatel, Nokia (Australia) and Motorola (India) and for refurbishment projects. Since the beginning of the year, we have also successfully secured several DMS contracts, which are expected to contribute positively to the Group's earnings for this year.

Corporate Governance Statement

The Company is committed to observe and practise the standards of corporate governance and to embrace the best practices recommended in the Code of Corporate Governance (the "Code").

This Statement sets out how the Company has applied the principles of good corporate governance recommended in the Code through the policies and procedures implemented in the Company. This Statement is meant to be read as a whole, instead of being compartmentalised under the different principles of the Code.

BOARD OF DIRECTORS

Board's Conduct of its Affairs

The Board is accountable to the shareholders while the management is accountable to the Board.

The Board will provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis. This responsibility extends to interim and other price sensitive public reports, and reports to regulators (if required).

The Company has identified the primary functions of the Board to include:-

1) approving the broad policies, strategies and financial objectives, major investment and funding decisions of the Company and monitoring the performance of management;

2) overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;

3) approving the nominations of Board Directors and appointment of key personnel;

4) approving annual budgets, investment and divestment proposals;

5) approving quarterly results for announcement, the annual report and accounts; and

6) assuming responsibility for corporate governance.

Matters which are specifically reserved for Board's decisions include those involving material acquisitions and disposal of assets, share issuances, dividends and other returns to shareholders. Specific Board approval is required for any transactions with a value greater than S$10 million.

To assist the Board in the execution of its duties, certain matters have been delegated to committees whose actions are monitored by the Board. These committees include the Audit Committee, the Nomination Committee and the Remuneration Committee, each of which operates within clearly defined written terms of reference and functional procedures.

Quarterly meetings have been scheduled for the Board to meet. Ad-hoc and special meetings are expected to be called to address significant and material issues. The Company's Articles of Association (the "Articles") allow a Board meeting to be conducted by way of a tele-conference. The attendance of the Directors at meetings of the Board and Board committees, as well as the frequency of such meetings, are disclosed in this Statement.

Relevant programmes have been put in place to meet the Directors' training needs. New Directors will be briefed and given materials to help them familiarise with the Company's business and governance policies, disclosure of interests in securities and of any conflict of interest in a transaction involving the Company, prohibitions on dealing in the Company's securities and restrictions on disclosure of price-sensitive information.

The Company has allocated a training budget which the Directors could tap on for participation at industry conferences and seminars, and to fund Directors' attendances at any course appropriate to their discharge of duties as Directors.

All Directors have unrestricted access to the Company's records and information, and the Independent Directors have access to all levels of senior executives in the Company and are free to speak to other employees to seek further information. The management also makes available to all members of the Board balanced and understandable management accounts of the Company's performance, position and prospects on a monthly basis. Detailed Board papers are prepared and circulated at least seven days ahead of each Board

Meeting. Key management staff and the Company's auditors and solicitors, where appropriate, are invited to assist the Board in its deliberations.

Board Composition and Balance

The Board currently comprises 3 Executive Directors and 8 Non-Executive Directors of whom 4 are also Independent Directors (i.e. more than one-third of the Board size). The independence of each Independent Director is reviewed annually by the Nomination Committee ("NC"). The NC adopts the Code's definition of what constitutes an independent director in its review. The NC is of the view that the 4 current Non-Executive and Independent Directors of the Company are independent directors within the meaning of the Code, that there is a strong and independent element on the Board which is able to exercise objective judgment on corporate affairs independently, in particular, from management, and that no individual or small group of individuals dominate the Board's decision-making process. The NC is also of the view that the current Board consists of persons who, together, provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge necessary to meet the Company's objectives.

The Company's Articles allow for the appointment of a maximum of 12 Directors. In the most recent NC Meeting, the NC had proposed to reduce the size of the Board from the current 11 Directors to 7 Directors. The NC is of the view that a Board size of 7 Directors is appropriate in facilitating nimble and effective decision-making, taking into account the nature and scope of the Company's business and operations.

Key information regarding the Directors is provided under the "Board of Directors" section on pages 13 to19 of the Annual Report. In respect of the directorships and chairmanships of the Directors, only the Directors' current directorships in companies listed on the SGX-ST are set out.

Role of Chairman and Chief Executive Officer

The Board applies the principle of clear division of responsibilities at the top of the Company – the working of the Board and the executive responsibility of the Company's business are divided to ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Company has a Non-Executive Chairman separate from the Chief Executive Officer ("CEO"). The CEO is the most senior executive in the Company and bears executive responsibility for the Company's business, while the Chairman bears responsibility for the workings of the Board and ensures that procedures are introduced to comply with the Code.

Although the Chairman and the CEO are brothers, the relationship does not affect the division of responsibilities between them. All major decisions of the CEO will be reviewed by the Audit Committee which consists of only Independent Directors and the Chairman is not a member of the Audit Committee. As such, the Board believes that there are adequate measures in place against an uneven concentration of power and authority in persons related to each other.

Access to Information

In order to ensure that the Board is able to fulfil its responsibilities, the management makes available to all Directors monthly management accounts and other internal financial statements as soon as practicable after the end of each month. The Company also makes available to all Directors background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets and forecasts. In respect of budgets, any material variance between the projections and the actual results are disclosed and explained. The Directors have also been provided with the telephone numbers and e-mail addresses of the Company's senior management and Company Secretary to facilitate separate and independent access.

Should Directors, whether as a group or individually, need independent professional advice, the Company Secretary will, upon direction by the Board, appoint a professional adviser selected by the group or individual, to render the advice. The cost of such professional advice will be borne by the Company.

The Company Secretary attends all Board and Board committee meetings. Together with members of the Company's management, he is responsible for and helps to ensure that appropriate Board procedures are followed and that the requirements of the Singapore Companies Act, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and all other rules and regulations which are applicable to the Company are complied with.

BOARD COMMITTEES

Nomination Committee ("NC")

The Company's NC currently comprises 3 Non-Executive Directors, namely, Messrs Leow Poh Tat Philip, Chia Mui Leng Alick and Ronnie Poh Tian Peng, the majority of whom, including the Chairman, are independent. Mr Leow chairs this Committee which is responsible for making recommendations to the Board on all Board appointments, including: -

(i) re-nomination of Directors having regard to their contribution and performance (e.g. attendance, preparedness, participation and candour);

(ii) determining annually whether or not a Director is independent, bearing in mind the Code's definition of what constitutes an independent director;

(iii) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, particularly where the Director has multiple Board representations; and

(iv) identifying and finding suitable candidates with the skills, experience and relevant qualities for possible nomination as Directors so as to augment the effectiveness of the Board.

The NC will decide on how the Board's performance is to be evaluated and propose objective performance criteria to address how the Board has enhanced long-term shareholders' value. Such performance criteria will not be changed from year to year unless circumstances deem it necessary and the onus will be on the Board to justify the decision for changes. Such performance evaluation will include consideration of the Company's share price performance vis-à-vis the Singapore Straits Times Index and a benchmark index of its industry peers, where relevant. Other performance criteria that may be used include return on assets, return on equity, return on investment, economic value added and profitability on capital employed.

The NC has recently formulated a set of guidelines for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberation of the NC in respect of the assessment of his performance or re-nomination as a Director.

New Directors may be appointed via Board resolutions after the NC has reviewed and nominated them for appointments. Such new Directors must submit themselves for re-election at the next Annual General Meeting of the Company. The NC, in considering the re-appointment of any Director, shall evaluate the performance of the Director. The Chairman of the Company will constantly monitor and assess each Director's contribution to the Board at meetings, intensity of participation at meetings, the quality of interventions and then discuss the results with the Chairman of the NC. The Directors' attendance record at Board and Board committee meetings will make up the other criteria for re-appointment.

Article 91 of the Articles requires every Director to retire from office once every three years and for this purpose, at each Annual General Meeting, one-third of the Directors for the time being (other than any Director holding office as Managing or Joint Managing Director) shall retire from office. This means that no Director (other than the Managing or Joint Managing Director) stays in office for more than three years before having to submit himself for re-election by shareholders.

Audit Committee ("AC")

For greater independence and effectiveness in providing the checks and balances, the Company's AC currently comprises 3 Independent Directors. The Chairman of the AC is

Mr Chia Mui Leng Alick and the Members are Dr Wang Kai Yuen and Mr Leow Poh Tat Philip. Each AC Member has many years of experience in managerial positions in various industries, and at least 2 AC Members have accounting or related financial management expertise or experience. The Board is of the view that the AC Members have sufficient financial management expertise to discharge the AC's functions in order to maintain high standards of corporate governance within the Company.

The principal functions of the AC include: -

(a) reviewing the audit plans of the external auditors;

(b) reviewing the internal and external auditors' evaluation (conducted at least annually) on the effectiveness of the Company's system of internal controls, including financial, operational and compliance controls and risk management;

(c) reviewing the external auditors' report;

(d reviewing the co-operation given by the officers to the internal and external auditors;

(e) reviewing the quarterly and full year consolidated financial statements of the Company before submission to the Board of Directors;

(f) nominating external auditors for appointment or re-appointment annually and making recommendations on the audit fees (in considering the external auditors for re-appointment, the AC will review the independence and objectivity of the external auditors, including the volume of non-audit services supplied by the external auditors, to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors); and

(g) reviewing interested person transactions.

The AC is also entrusted with the responsibility to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position, and review its findings. For such purpose, the AC shall have full access to and co-operation by management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its function properly. Each member of the AC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations in respect of matters in which he is interested.

Minutes of AC meetings are made available to all Directors for their information and review.

The AC will meet with the external auditors, without the presence of management, once a year. The AC has reviewed the independence and objectivity of Messrs Deloitte & Touche and has satisfied itself of Messrs Deloitte & Touche's position as an independent external auditor.

The Board is of the view that the internal controls in the Company are adequate to safeguard the shareholders' investments and the Company's assets.

Internal Audit

The Company's internal audit department (the "IA") is currently staffed by 2 internal auditors. The IA reports directly to the Chairman of the AC on audit matters, and to the CEO on administrative matters. The AC reviews the IA's reports and its activities on a quarterly basis. The AC also reviews and approves the annual IA plans and resources to ensure that the IA has the capability to adequately perform its functions. The IA meets the standards set by the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC is of the view that the IA is presently adequately resourced and has appropriate standing within the Company.

Remuneration Committee ("RC")

Dr Wang Kai Yuen chairs the Company's RC, assisted by Messrs Henry Tan Hor Thye and Leow Poh Tat Philip. All Members of the RC are Non-Executive Directors with the majority independent of management and free from any business or other relationships which may materially interfere with the exercise of their independent judgment. At least 1 RC Member is knowledgeable in the field of executive compensation. The RC has access to the Company's human resources department and external consultant for expert advice on executive compensation.

The RC is mandated with the responsibility to oversee the general compensation of employees of our Group with a goal to motivate, recruit and retain employees and Directors through competitive compensation and progressive policies. In particular, the RC is responsible for approving remuneration matters of the Board and our Executive Directors and associates of controlling shareholders. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

Each Member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations in respect of his own remuneration.

Procedures for Developing Remuneration Policies
Level and Mix of Remuneration
Disclosure on Remuneration

The RC's principal responsibilities are to:-

1) recommend to the Board base pay levels, benefits and incentive opportunities, and identify components of pay which can best be used to focus management staff on achieving corporate objectives, including identifying equity-based incentives such as stock options;

2) recommend to the Board a framework of remuneration for the Directors and key executives;

3) determine the specific remuneration packages for each Executive Director;

4) approve the structure of the compensation programme (including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind) for Directors and senior management to ensure that the programme is competitive, appropriate and sufficient to attract, retain and motivate Directors and senior management of the required quality to run the Company successfully;

5) review Directors' and senior management's compensation annually and determine appropriate adjustments, and review and recommend the CEO's pay adjustments;

6) consider whether the Directors should be eligible for benefits under long-term incentive schemes (including weighing the use of share option schemes against other kinds of long-term incentive schemes); and

7) administer the ACCS Share Option Scheme 2003 ("ESOS").

The Chairmen of both the NC and the RC decide on the specific remuneration packages for an Executive Director or senior management staff upon recruitment. Thereafter, the RC reviews subsequent increments, award of share options, if any, and variable bonuses where these payments are discretionary. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

The Executive Directors' remuneration package includes a performance-related variable bonus, and also stock options which have been designed to align their interests with those of the shareholders. The Chairman's remuneration is not performance-related and is paid as a Director's fee, similar to other Non-Executive Directors, except that the fee payable to the Chairman is 3 times that payable to a Non-Executive Director. These Directors' fees are recommended by the Board for approval at the Company's Annual General Meeting.

In setting remuneration packages, the RC takes into account the performance of the Group and the individual. In its deliberations, the RC takes into consideration pay and employment conditions within the industry and in comparable companies.

A breakdown, showing the level and mix of each individual Director's remuneration payable for the financial year ended 31 December 2003 ("FY2003") is as follows:-

Directors' Remuneration

	Fees[1] (%)	Salary (%)	Bonus[2] (%)	Other Benefits[3] (%)	Total (%)	ESOS[4] (No. of options)
S$1,000,000 to S$1,249,999						
Victor Tan Hor Peow	-	42	49	9	100	950,000
S$500,000 to S$749,999						
Yong Kin Kwong Edmund	-	43	48	9	100	570,000
Yip Hwai Chong	-	42	48	10	100	570,000
Below $250,000						
Henry Tan Hor Thye	88	-	-	12	100	-
Ronnie Poh Tian Peng	100	-	-	-	100	-
Liow Voon Kheong	100	-	-	-	100	-
Chia Leok Yeen	-	-	-	-	-	-
Wang Kai Yuen	100	-	-	-	100	-
Chia Mui Leng Alick	100	-	-	-	100	-
Leow Poh Tat Philip	100	-	-	-	100	-
Gay Chee Cheong	100	-	-	-	100	-
Ed Ng Ee Peng	-	-	-	-	-	-

(1) These fees are subject to approval by shareholders as a lump sum at the Annual General Meeting for FY2003.
(2) Includes Annual Wage Supplement and Variable Bonus.
(3) Include employers' CPF, allowance and car benefits.
(4) Year 1 options granted on 17 September 2003 pursuant to the ESOS.

The Non-Executive Directors do not have service contracts with the Company and their terms of appointment and office are specified in the Articles.

The RC is of the view that the performance-related elements of remuneration form a significant proportion of the total remuneration package of Executive Directors, and are designed to align their interests with those of shareholders and link rewards to corporate and individual performance. The RC is also of the view that there are appropriate and meaningful measures for the purpose of assessing Executive Directors' performance. Currently, Executive Directors are eligible to participate in the ESOS. Further details of the ESOS are set out on pages 39 to 40 of the Annual Report. Currently, the aggregate number of shares in respect of which the Company may grant options under the ESOS shall not exceed ten (10) per cent. of the issued share capital of the Company on the day preceding the date of grant. The RC will decide on the amount of share options to be granted and the options are exercisable within a 10-year period. Executive Directors are encouraged to hold their shares beyond the vesting period, subject to the need to finance any costs of acquisition and associated tax liability. At this juncture, it is not the Company's policy to account for the fair value of share options for financial reporting purposes. However, in future, the Board would comply with future changes in accounting treatment for share options as and when they are applicable to the Company.

The RC recommends to the Board Non-Executive Directors' fees that are appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the Non-Executive Directors. The RC is of the view that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised.

On 16 October 2002, the Company entered into separate service agreements (the "Service Agreements") with Mr Victor Tan Hor Peow, Mr Yong Kin Kwong Edmund and Mr Yip Hwai Chong (collectively, the "Executive Directors" and each, the "Executive Director").

Under their Service Agreements, Mr Victor Tan Hor Peow, Mr Yong Kin Kwong Edmund and Mr Yip Hwai Chong agreed to be appointed as the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer of our Company, respectively. The appointments of the Executive Directors commenced on 14 March 2003, the date of admission of our Company to the Official List of the Main Board of the SGX-ST, and will continue for a period of 5 years thereafter (unless terminated by either the Company or the Executive Director on the giving of 6 months' notice). The RC is of the view that the Service Agreements are not for an excessively long duration and do not contain onerous removal clauses. The RC is also of the view that an early termination of any Service Agreement would not result in onerous compensation commitments on the part of the Company.

Save as disclosed above, there are no other existing or proposed service agreements between the Company or our subsidiaries and any of its Directors.

There are no existing or proposed service contracts entered or to be entered into by our Directors with our Company or any of our subsidiaries which provide for benefits upon termination of employment.

The Board is of the view that it is not in the interests of the Company to disclose the remuneration of the top 5 executives (who are not Directors) of the Company in this Statement due to the sensitive and confidential nature of such information.

Remuneration of employees who are immediate family members of a Director or the CEO and whose remuneration exceeds S$150,000 during FY2003.

In compliance with Guidance Note 9.3 of the Code, the Company discloses below the remuneration of our Regional Director (Greater China), Mr Tan Hor Khim, who is the brother of our Chairman Mr Henry Tan Hor Thye and our CEO Mr Victor Tan Hor Peow:-

	Salary (%)	**Bonus[1] (%)**	**Other Benefits[2] (%)**	**Total (%)**	**EOS[3] (No. of options)**
Below $250,000					
Tan Hor Khim	49	4	47	100	300,000

[1] Includes Annual Wage Supplement.
[2] Include employers' CPF, allowance and benefits related to his posting in the PRC.
[3] Year 1 options granted on 17 September 2003 pursuant to the ESOS.

Accountability and Audit Communication with Shareholders Greater Shareholder Participation

The Company has adopted quarterly results reporting since its listing. The Company currently holds media and/or analysts briefing of its quarterly results which are published through the MASNET for the public's and shareholders' information.

The Company does not practise selective disclosure. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the mandatory period.

The Company investor relations team is supported by an external public relations firm which assists in matters of communication with its investors, the media and analysts and the public on a regular basis and attend to their queries. All shareholders of the Company receive the Company's annual report and notice of Annual General Meeting. The notice will also be posted on the MASNET. At Annual General Meetings, shareholders will have the opportunity to participate effectively and to vote and will be given ample opportunity and time to air their views and ask Directors or management questions regarding the Company. The Chairman/Members of each of the Board committees will be present and available to address questions at general meetings. The external auditors will also be present to assist the Directors in addressing any relevant queries by shareholders. There will be separate resolutions at general meetings on each distinct issue.

The Articles allow members of the Company to appoint proxies to attend and vote on their behalf. Contrary to the recommendation of Guidance Note 15.1 of the Code, the Company has not amended its Articles to provide for absentia voting methods which call for elaborate and costly implementation of a fool-proof system, the need for which does not presently arise.

Best Practices Guide and Dealings in Securities

Notwithstanding that compliance with the SGX-ST's Best Practices Guide is stated as not mandatory, the Company is committed to also adopt and abide by the Best Practices Guide.

The Company has adopted internal codes pursuant to the SGX-ST's Best Practices Guide which are applicable to all its officers in relation to dealings in the Company's securities. Since the Company's listing, the officers of the Company were not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's quarterly and full year results and ending on the date of the announcement of the results.

With effect from 2004, in line with the revised SGX-ST's Best Practices Guide, the officers of the Company are not allowed to deal in the Company's shares during the period commencing 2 weeks before the announcement of the Company's financial results for each of the first 3 quarters of its financial year, or 1 month before the announcement of the Company's full year results, as the case may be, and ending on the date of announcement of the relevant results.

Directors' Attendance at Board and Board Committee Meetings

During the period from the commencement of FY2003 to 29 February 2004, there had been 6 Board of Directors Meetings, 1 NC Meeting, 5 AC Meetings and 2 RC Meetings. The Directors' and respective Board committee members' attendances at these meetings are disclosed below:-

Board of Directors Meeting

Director \ Date	20 February 2003	24 March 2003	20 May 2003	31July 2003	11 November 2003	26 February 2004
Henry Tan Hor Thye	Present	Present	Present	Present	Present	Present
Victor Tan Hor Peow	Present	Present	Present	Present	Present	Present
Yong Kin Kwong Edmund	Present	Present	Present	Present	Present	Present
Yip Hwai Chong	Present	Present	Present	Present	Present	Present
Ronnie Poh Tian Peng	Present	Present	Present	Present	Present	Present
Liow Voon Kheong	Present	Present	Present	Present	Present	Present
Chia Leok Yeen(1)	-	Present	-	-	-	-
Dr Wang Kai Yuen	Present	Present	Present	Present	Present	Present
Chia Mui Leng Alick	-	Present	Present	Present	Present	-
Leow Poh Tat Philip	Present	Present	Present	Present	Present	Present
Gay Chee Cheong(2)	-	-	-	Present	Present	Present
Ng Ee Peng Ed(3)	-	-	-	-	-	-

(1) Alternate Director to Liow Voon Kheong.
(2) Appointed on 19 June 2003.
(3) Appointed on 5 March 2004.

NC Meeting

NC Member \ Date	26 February 2004
Leow Poh Tat Philip	Present
Chia Mui Leng Alick	-
Ronnie Poh Tian Peng	Present

AC Meeting

AC Member \ Date	24 March 2003	20 May 2003	31 July 2003	11 November 2003	26 February 2004
Chia Mui Leng Alick	Present	Present	Present	Present	-
Dr Wang Kai Yuen	Present	Present	Present	Present	Present
Leow Poh Tat Philip	Present	Present	Present	Present	Present

RC Meeting

RC Member \ Date	31 July 2003	26 February 2004
Dr Wang Kai Yuen	Present	Present
Henry Tan Hor Thye	Present	Present
Leow Poh Tat Philip	Present	Present

Interested Person Transactions Policy

The Company has adopted an internal policy whereby all interested person transactions will be documented and submitted at least quarterly to the Audit Committee for their review to ensure that such transactions are carried out at arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. In the event that a member of the Audit Committee is deemed to have an interest in an interested person transaction, he will abstain from reviewing that particular transaction. The Audit Committee will include the review of interested person transactions as part of the standard procedures during the Audit Committee's examination of the adequacy of the Group's internal controls.

Woo Kah Wai
Company Secretary

Report of the directors and financial statements

Contents

Report of the directors

The directors present their report together with the audited financial statements of the company and of the group for the financial year ended December 31, 2003.

The company was incorporated in Singapore on October 21, 2000 under the Singapore Companies Act as a private limited company under the name of Accord Customer Care Solutions Pte Ltd. On December 24, 2002, the company was converted into a public limited company and changed its name to Accord Customer Care Solutions Limited. On March 14, 2003, the company was admitted to the Official List of the Stock Exchange Securities Trading Limited ("SGX-ST").

1 DIRECTORS

The directors of the company in office at the date of this report are:

Henry Tan Hor Thye
Victor Tan Hor Peow
Yong Kin Kwong Edmund
Yip Hwai Chong
Liow Voon Kheong
Chia Leok Yeen (Alternate director to Liow Voon Kheong)
Ronnie Poh Tian Peng
Dr Wang Kai Yuen
Chia Mui Leng Alick
Leow Poh Tat Philip
Gay Chee Cheong (Appointed on June 19, 2003)

2 AUDIT COMMITTEE

The Board of Directors has adopted the principles of corporate governance under the Best Practices Guide with regards to audit committee formulated by SGX-ST.

The Audit Committee of the company comprises three independent directors. The members of the Audit Committee at the date of this report are:

Chia Mui Leng Alick (Chairman)
Leow Poh Tat Philip
Dr Wang Kai Yuen

The Audit Committee performs the functions as set out in the Singapore Companies Act. In performing those functions, the Audit Committee has reviewed the following:

i) the audit plans and results of the external auditors' examination and evaluation of the group's systems of internal accounting controls;

ii) the scope and results of internal audit examination;

iii) the group's financial and operating results;

iv) the financial statements of the company and the consolidated financial statements of the group before their submission to the directors of the company and the external auditors' report on those financial statements;

v) the quarterly and annual announcements as well as the related press releases on the results and financial position of the company and the group;

vi) the co-operation and assistance given by the management to the group's internal and external auditors;

vii) the re-appointment of the external auditors of the company; and

viii) interested person transactions.

The Audit Committee has full access to and co-operation by the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of Deloitte & Touche as auditors of the company at the forthcoming Annual General Meeting.

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate other than the options described below.

4 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial year and their interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act are as follows:

	Shareholdings registered in the name of directors			Shareholdings in which directors are deemed to have interest		
Name of directors and companies in which interests are held	At January 1, 2003 or date of appointment, if later	At December 31, 2003	At January 21, 2004	At January 1, 2003 or date of appointment, if later	At December 31, 2003	At January 21, 2004
Accord Customer Care Solutions Limited - Ordinary shares of $0.025 each						
Henry Tan Hor Thye	151,934,320*	103,728,225	103,728,225	-	11,580,552	11,580,552
Victor Tan Hor Peow	39,197,160*	40,083,474	40,583,474	-	-	-
Yong Kin Kwong Edmund	5,341,640*	2,021,640	2,021,640	-	-	-
Yip Hwai Chong	7,583,440*	4,983,440	4,983,440	-	-	-
Ronnie Poh Tian Peng	126,147,760*	90,699,973	90,699,973	-	11,580,552	11,580,552
Dr Wang Kai Yuen	-	200,000	200,000	-	200,000	200,000
Chia Mui Leng Alick	-	130,000	130,000	-	-	-
Leow Poh Tat Philip	-	250,000	250,000	-	-	-
Gay Chee Cheong	300,000	300,000	500,000	32,000,000	39,200,000	39,200,00
Accord Customer Care Solutions Limited - Options granted under ACCS Share Option Scheme 2002						
Victor Tan Hor Peow	480,060	-	-	-	-	-
Yip Hwai Chong	79,877	-	-	-	-	-
Yong Kin Kwong Edmund	79,877	-	-	-	-	-
Accord Customer Care Solutions Limited - Options granted under ACCS Share Option Scheme 2003						
Victor Tan Hor Peow	-	950,000	950,000	-	-	-
Yip Hwai Chong	-	570,000	570,000	-	-	-
Yong Kin Kwong Edmund	-	570,000	570,000	-	-	-

*Adjusted for the sub-division of each ordinary share of $1.00 each into 40 ordinary shares of $0.025 each.

5 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed below and in the financial statements.

6 SHARE OPTIONS

a) 2002 Scheme

The ACCS Employee Share Option Scheme 2002 (the "2002 Scheme") was approved by the shareholders at the Extraordinary Meeting held on February 1, 2002. Under the 2002 Scheme, the share options to subscribe for ordinary shares of $1 each may be granted to the Managing Director, Victor Tan Hor Peow and employees of the company. The total number of share options to be granted depends on the consolidated profit before income tax of the company and its subsidiaries for the financial period from July 1, 2002 to June 30, 2002. The total option price payable is equal to half of between 3% to 10% of the valuation of the company based on the consolidated profit before income tax of the company and its subsidiaries for the financial period from July 1, 2002 to June 30, 2002. The options are granted to the grantees for a nominal amount of $1. The options can be exercised when the financial statements for the 12 months financial period ended June 30, 2002 have been finalised. The options expired upon the listing of the Company's shares on any stock exchange.

The number of share options granted and exercised during the financial year pursuant to the 2002 Scheme were as follows:

Date of grant	Balance at January 1, 2003	Exercised	Balance at December 31, 2003	Subscription price	Expiry date
December 11, 2002	798,768	(798,768)	-	$6.26	Upon listing of company's shares

Options granted to directors of the company under the 2002 Scheme were as follows:

Name of director	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to December 31, 2003	Aggregate options exercised since commencement of the Scheme to December 31, 2003	Aggregate options outstanding at December 31, 2003	Percentage of total number of options outstanding at December 31, 2003
Victor Tan Hor Peow	-	480,060	(480,060)	-	-
Yong Kin Kwong Edmund	-	79,877	(79,877)	-	-
Yip Hwai Chong	-	79,877	(79,877)	-	-
	-	639,814	(639,814)	-	-

b) 2003 Scheme

At the Extraordinary Meeting held on January 13, 2003, the shareholders approved the adoption of the ACCS Share Option Scheme 2003 (the "2003 Scheme") upon the listing of the shares of the company on SGX-ST. The share option scheme is administered by the Remuneration Committee, comprising the following:

Dr Wang Kai Yuen (Chairman)
Henry Tan Hor Thye
Leow Poh Tat Philip

Each share option entitles the employees of the group and of an associated company to subscribe for one new ordinary share of $0.025 each in the company. The options are granted at a consideration of $1.00 paid by each option holder.

The 2003 Scheme will operate for a maximum period of 10 years commencing on January 13, 2003. Under the 2003 Scheme, share options may be granted to the employees of the group and an associated company, provided that the company has control over the associated company. Control is defined as the capacity to dominate decision making in relation to the financial and operating policies of the company. Approval of the independent shareholders in separate resolutions is required for the participation by and the number and terms of options to be granted to participants who are controlling shareholders of the company or their associates.

Options that are granted may be at the market price ("Market Price Options") or may have exercise prices that are, at the Remuneration Committee's discretion, set at a discount to the market price of a share. The maximum discount cannot exceed 20%. In the event that options are issued at a discount, such options may be exercised only after the second anniversary from the date of the grant of the option.

If an option holder ceases to be in full time employment with the company or any of the companies within the group for any reason whatsoever, the option holder may exercise any unexercised options within 1 month from the last date of employment with the company or the group.

Options granted with an exercise price set at the Market Price shall only be exercisable, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof) at any time after (12) twelve months of the date of grant of that option.

Options granted with an exercise price set at discount to Market Price shall only be exercisable by a participant, in whole or in part (provided that an option may be exercised in part only in respect of 1,000 shares or any multiple thereof) at any time after twenty four (24) months from the date of grant of that option.

Provided always that options shall be exercised before the end of one hundred and twenty (120) months [or sixty (60) months where the participant is a non-Executive Director] of the date of grant of that option and subject to such other condition as may be introduced by the Committee from time to time.

The share options granted and exercised during the financial year and share options outstanding as at December 31, 2003 under the 2003 Scheme were as follows:

Date of grant	Balance at January 1, 2003 or later at date of grant	Exercised	Lapsed/ Cancelled	Balance at December 31, 2003	Subscription price	Expiry date
September 17, 2003	9,500,000	-	(130,000)	9,370,000	$0.60	September 16, 2013

Options granted to directors of the company under the 2003 Scheme were as follows:

Name of director	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to December 31, 2003	Aggregate options exercised since commencement of the Scheme to December 31, 2003	Aggregate options outstanding at December 31, 2003	Percentage of total number of options outstanding at December 31, 2003
Victor Tan Hor Peow	950,000	950,000	-	950,000	10%
Yong Kin Kwong Edmund	570,000	570,000	-	570,000	6%
Yip Hwai Chong	570,000	570,000	-	570,000	6%

c) During the financial year, no option to take up unissued shares of the subsidiaries was granted and there were no shares of subsidiaries issued by virtue of the exercise of an option to take up unissued shares.

d) At the end of the financial year, there were no unissued shares of the subsidiaries under option.

7 AUDITORS

The auditors, Deloitte & Touche, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Henry Tan Hor Thye

Victor Tan Hor Peow

February 26, 2004

Auditors' report to the members

We have audited the accompanying financial statements of Accord Customer Care Solutions Limited set out on pages 43 to 88 for the year ended December 31, 2003. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the consolidated financial statements of the group and the balance sheet and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at December 31, 2003 and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and auditors' reports of all the subsidiaries of which we have not acted as auditors and also considered the financial statements of those subsidiaries which are not required by the laws of their countries of incorporation to be audited, being financial statements included in the consolidated financial statements. The names of these subsidiaries are indicated in Note 11 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of the subsidiary incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

Deloitte & Touche
Certified Public Accountants

Aric Loh Siang Khee
Partner

Singapore
February 26, 2004

Balance sheets

December 31, 2003

	Note	Group 2003 $'000	Group 2002 $'000	Company 2003 $'000	Company 2002 $'000
ASSETS					
Current assets:					
Cash	6	32,640	6,839	22,591	2,070
Trade receivables	7	27,908	20,788	13,587	17,976
Other receivables and prepayments	8	11,047	9,336	39,398	23,832
Inventories	9	15,440	9,621	3,773	6,295
Total current assets		87,035	46,584	79,349	50,173
Non-current assets:					
Investment in associate	10	500	-	500	-
Investment in subsidiaries	11	-	-	23,836	13,147
Advance payments for investments	12	18,296	-	18,296	-
Plant and equipment	13	19,081	14,139	7,045	6,493
Other investments	14	129	87	129	87
Goodwill on consolidation	15	11,888	10,749	-	-
Other goodwill	16	2,219	-	1,013	-
Total non-current assets		52,113	24,975	50,819	19,727
Total assets		139,148	71,559	130,168	69,900

LIABILITIES AND EQUITY

	Note	Group 2003	Group 2002	Company 2003	Company 2002
		$'000	$'000	$'000	$'000
Current liabilities:					
Bank overdrafts	17	-	57	-	57
Short-term bank loans	17	24,941	4,740	18,000	4,740
Trade payables	18	9,435	8,180	9,235	17,744
Other payables	19	10,325	11,612	33,879	8,889
Income tax payable		1,371	3,838	526	1,487
Obligations under finance leases	20	202	37	-	-
Bonds payable	21	-	19,000	-	19,000
Preference shares	23	-	997	-	997
Total current liabilities		46,274	48,461	61,640	52,914
Non-current liabilities:					
Obligations under finance leases	20	108	182	-	-
Deferred income tax	22	842	574	912	712
Total non-current liabilities		950	756	912	712
Minority interest		485	262	-	-
Capital and reserves:					
Issued capital	23	15,829	5,000	15,829	5,000
Share premium reserve		42,098	-	42,098	-
Capital redemption reserve		22	22	22	22
Foreign currency translation reserve		544	(299)	-	-
Accumulated profits		32,946	17,357	9,667	11,252
Total equity		91,439	22,080	67,616	16,274
Total liabilities and equity		139,148	71,559	130,168	69,900

See accompanying notes to financial statements.

Consolidated profit and loss statement

Year ended December 31, 2003

	Note	Group 2003 $'000	Group 2002 $'000
Revenue	24	100,680	69,992
Spare parts consumed		(41,502)	(24,362)
Other operating income	25	9,441	6,912
Staff costs		(27,841)	(20,675)
Depreciation expense		(2,609)	(1,887)
Other operating expenses		(16,509)	(12,562)
Profit from operations	26	21,660	17,418
Finance cost	27	(224)	(2,342)
Profit before income tax		21,436	15,076
Income tax expense	28	(264)	(2,474)
Profit after income tax		21,172	12,602
Minority interests		8	(81)
Net profit attributable to shareholders		21,180	12,521
Earnings per share (cents):			
- Basic	29	3.44	2.31
- Diluted	29	3.44	2.31

See accompanying notes to financial statements.

Statements of changes in equity

Year ended December 31, 2003

	Issued capital (ordinary shares) $'000	Share premium reserve $'000	Capital redemption reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total $'000
Group						
Balance at December 31, 2001	5,000	-	-	227	5,638	10,865
Redemption of convertible redeemable preference shares	-	-	22	-	(22)	-
Net profit for the year	-	-	-	-	12,521	12,521
Interim dividend of 20% less tax	-	-	-	-	(780)	(780)
Foreign currency translation	-	-	-	(526)	-	(526)
Balance at December 31, 2002	5,000	-	22	(299)	17,357	22,080
Issue of shares on:						
- exercise of share options	799	4,201	-	-	-	5,000
- conversion of redeemable preference shares	823	174	-	-	-	997
- conversion of redeemable convertible bonds	1,366	17,634	-	-	-	19,000
- bonus share issue	5,591	-	-	-	(5,591)	-
- Initial Public Offering	2,250	22,050	-	-	-	24,300
Share issue 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	42,098	22	544	32,946	91,439

	Issued capital (ordinary shares) $'000	Share premium reserve $'000	Capital redemption reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total $'000
Company						
Balance at December 31, 2002	5,000	-	-	-	1,983	6,983
Redemption of convertible redeemable preference shares	-	-	22	-	(22)	-
Net profit for the year	-	-	-	-	10,071	10,071
Interim dividend of 20% less tax	-	-	-	-	(780)	(780)
Balance at December 31, 2002	5,000	-	22	-	11,252	16,274
Issue of shares on:						
- exercise of share options	799	4,201	-	-	-	5,000
- conversion of redeemable preference shares	823	174	-	-	-	997
- conversion of redeemable convertible bonds	1,366	17,634	-	-	-	19,000
- bonus share issue	5,591	-	-	-	(5,591)	-
- Initial Public Offering	2,250	22,050	-	-	-	24,300
Share issue expenses	-	(1,961)*	-	-	-	(1,961)
Net profit for the year	-	-	-	-	4,006	4,006
	15,829	42,098	22	-	9,667	67,616

* Share issue expenses are stated net of $951,000 which are borne by the vendors and included $445,000 professional fees paid to the auditors of the company.

See accompanying notes to financial statements.

Consolidated cash flow statement

Year ended December 31, 2003

	2003	2002
	$'000	$'000
Cash flows from operating activities:		
Profit before income tax	21,436	15,076
Adjustments for:		
Depreciation expense	2,609	1,887
Interest expense	224	2,342
Interest income	(167)	(34)
(Gain) Loss on disposal of plant and equipment	(2)	74
Gain on disposal of subsidiary	(20)	-
Amortisation of goodwill on consolidation and other goodwill	714	523
Operating profit before working capital changes	24,794	19,868
Trade receivables	(5,079)	(8,190)
Other receivables and prepayments	(1,038)	(5,926)
Inventories	(5,454)	(4,621)
Trade payables	(2,505)	3,719
Other payables	1,645	489
Cash generated from operations	12,363	5,339
Income tax paid	(2,476)	(329)
Interest received	167	34
Net cash from operating activities	10,054	5,044
Cash flows from investing activities:		
Acquisition of subsidiary (Note A)	428	(1,878)
Disposal of subsidiary (Note B)	(16)	-
Proceeds from disposal of plant and equipment	175	817
Purchase of plant and equipment (Note C)	(5,751)	(8,046)
Purchase of businesses	(2,403)	-
Purchase of investments	(542)	-
Advance payments for investments	(18,296)	-
Payment of deferred purchase consideration (Note A)	(3,932)	-
Cash and cash equivalents subject to restriction (Note D)	(3,970)	(1,000)
Net cash used in investing activities	(34,307)	(10,107)

	2003	2002
	$'000	$'000
Cash flows from financing activities:		
Interest paid	(224)	(2,342)
Proceeds from short-term bank loans	20,201	4,740
Proceed from issuing shares to minority shareholders	231	-
Payment of dividends	-	(780)
Proceeds from issuing shares	27,339	-
Decrease in finance leases	(406)	(74)
Net cash from financing activities	47,141	1,544
Net effect of exchange rate changes in consolidating subsidiaries	(1,000)	(435)
Net increase (decrease) in cash	21,888	(3,954)
Balance at beginning of year	5,782	9,736
Cash at end of financial year (Note D)	27,670	5,782

Notes to the consolidated cash flow statements

A. Summary of the effects of acquisition of subsidiaries:

	2003	2002
	$'000	$'000
Cash	428	186
Other current assets	3,126	586
Current liabilities	(5,125)	(182)
Net current (liabilities) assets	(1,571)	590
Non-current assets	940	133
Goodwill on acquisition of subsidiaries	631	5,295
Goodwill on adjustment to cost	159	-
Minority interests share in net assets	-	(181)
Purchase consideration discharged by cash	159	5,837
Less:		
Deferred consideration [Note 19]	(159)	(3,773)
Less: Cash of acquired subsidiaries	(428)	(186)
Net cash (inflow) outflow on acquisition of subsidiaries	(428)	1,878

B. Summary of the effects of disposal of subsidiary:

	2003	2002
	$'000	$'000
Cash	16	-
Other current assets	278	-
Current liabilities	(314)	-
Net current liabilities	(20)	-
Gain on disposal of subsidiary	20	-
Cash of disposed subsidiary	16	-
Net cash outflow on disposal of subsidiary	16	-

C. Plant and equipment:

During the financial year, the group acquired plant and equipment with aggregate cost of $6,039,000 (2002 : $8,046,000) of which $288,000 (2002 : $Nil) was acquired by means of finance lease. Cash payment of $5,751,000 (2002 : $8,046,000) were made to purchase plant and equipment.

D. Cash at end of financial year:

	2003	2002
	$'000	$'000
Cash	32,640	6,839
Bank overdrafts	-	(57)
Cash and cash equivalents	32,640	6,782
Less: Cash and cash equivalents subject to restriction*	(4,970)	(1,000)
	27,670	5,782

* Cash and cash equivalents pledged in connection with credit facilities granted by certain banks (Note 6).

See accompanying notes to financial statements.

Notes to financial statements
December 31, 2003

1 GENERAL

The company is incorporated in the Republic of Singapore with its registered office and principal place of business at 20 Toh Guan Road #07-00 Accord Distri Centre, Singapore 608839. The financial statements are expressed in Singapore dollars.

The principal activities of the company are provision of after-market services and distribution management solutions for mobile communication devices, and investment holding. Provision of after-market services and distribution management solutions comprise repair management, technical services management, customer relationship management, administrative management and other value added services which include sale of accessories, merchandise and e-distribution, parts distribution management and mobile clinic management.

The principal activities of the subsidiaries are described in Note 11 to the financial statements.

The company was incorporated in Singapore on October 21, 2000 under the Singapore Companies Act as a private limited company under the name of Accord Customer Care Solutions Pte Ltd. On December 24, 2002, the company was converted into a public limited company and changed its name to Accord Customer Care Solutions Limited. On March 14, 2003, the company was admitted to the Official List of the Stock Exchange Securities Trading Limited ("SGX-ST").

The financial statements of the company and of the group for the financial year ended December 31, 2003 were authorised for issue by the Board of Directors on February 26, 2004.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention and have been properly drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("SFRS") and Interpretations of Financial Reporting Standards ("INT FRS").

The company has adopted all the applicable new/revised SFRS and INT FRS which became effective during the year. The adoption of the new/revised SFRS and INT FRS does not affect the results of the company for the current or prior periods.

b) BASIS OF CONSOLIDATION - The consolidated financial statements include the financial statements of the company and enterprises controlled by the company (its subsidiaries) made up to December 31 each year. Control is achieved when the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed off during the financial year are included in or excluded from the consolidated financial statements from the effective date of acquisition or to the effective date of disposal as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the group. All significant intercompany balances and transactions are eliminated on consolidation.

Associates are entities over which the group exercises significant influence, through participation in the financial and operating policy decisions of the investee. The equity method of accounting is used.

In the company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

c) FINANCIAL ASSETS - The group's principal financial assets are cash and bank balances, trade and other receivables and other investments. Trade and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Other investments are stated on the basis described below.

d) FINANCIAL LIABILITIES AND EQUITY - Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debt instruments issued which carry a right to convert to equity that is dependent on the outcome of uncertainties beyond the control of both the group and the holder, are classified as liabilities except where the possibility of non-conversion is remote.

Significant financial liabilities include finance lease obligations, bank loans, trade and other payables.

The accounting policy adopted for finance lease obligations is described below.

Bank loans and bank overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables are stated at their nominal value.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

e) PREFERENCE SHARES - Preference shares which are redeemable on a specific date or at the option of the shareholder or which carry non-discretionary dividend obligations, are classified as liabilities. The dividends on these preferred shares are recognised in the income statement as interest expense. All other preference shares are classified as equity.

f) MINORITY INTEREST - Minority interest is stated at the appropriate proportion of the pre-acquisition carrying amounts of the net assets of the subsidiary adjusted for the appropriate share of post acquisition profit or loss.

g) OTHER INVESTMENTS - Investments held for long-term are stated at cost, less any impairment in net recoverable value.

h) INVENTORIES - Inventories consist principally of handphone spare parts, accessories and handphone sets that are stated at the lower of costs, determined on a first-in, first-out basis and net realisable value. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

i) CONVERTIBLE BONDS - Convertible bonds are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the convertible bonds and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the group, is included in capital reserves (equity).

The interest expense on the liability component is calculated by applying the prevailing market interest rate for similar non-convertible debt to the instrument. The difference between this amount and the interest paid is added to the carrying value of the convertible bonds.

j) PLANT AND EQUIPMENT - Plant and equipment are carried at cost, less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight-line method, on the following bases:

Computers and computer system	-	20% to 33 1/3%
Plant and equipment	-	10% to 20%
Motor vehicles	-	18% to 33 1/3%
Furniture, fittings and renovations	-	10% to 33 1/3%

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

k) GOODWILL - Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of subsidiaries and associate at the date of acquisition. Goodwill is recognised as an asset and amortised on a straight-line basis over its estimated useful life of 20 years.

Goodwill arising from an acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

l) NEGATIVE GOODWILL - Negative goodwill represents the excess of the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition over the cost of acquisition. Negative goodwill is released to income based on an analysis of the circumstances from which the balance resulted. To the extent that the negative goodwill is attributable to losses or expenses anticipated at the date of acquisition, it is released to income in the period in which those losses or expenses arise. The remaining negative goodwill is recognised as income on a straight-line basis over the remaining average useful life of the identifiable acquired depreciable assets. To the extent that such negative goodwill exceeds the aggregate fair value of the acquired identifiable non-monetary assets, it is recognised in income immediately.

Negative goodwill arising on the acquisition of an associate is deducted from the carrying amount of that associate. Negative goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a deduction from assets.

In the company's financial statements, investments in subsidiaries and associates is carried in the financial statements at cost less any impairment in net recoverable value that has been recognised in the profit and loss statement.

m) OTHER GOODWILL - This represents the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities of the businesses the group had acquired and is amortised using the straight-line method over their useful lives of 20 years. It is stated at cost less amortisation. Where an indication of impairment exists, the carrying amount of the intangible asset is assessed and written down immediately to its recoverable value.

n) IMPAIRMENT OF ASSETS - At each balance sheet date, the company and the group review the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

o) PROVISIONS - Provisions are recognised when the company and the group have a present obligation as a result of a past event which is probable will result in an outflow of economic benefits that can be reasonably estimated.

p) LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the group at their fair value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease using the effective interest rate method.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

q) REVENUE RECOGNITION - Revenue from rendering of after-market services and distribution management solutions, including refurbishment services, inventory management fee, retrofit services and repair management fee services is recognised when the services are completed.

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer and the amount of revenue and the costs of the transaction can be measured reliably.

Refurbishment and retrofit income are recognised when the refurbishment and retrofit services are completed.

Other management fees are recognised when services are rendered.

Management and corporate advisory fees are recognised when services are rendered.

Software licensing fees are recognised when the rights to use the licensing rights and the software system are transferred.

Commission income is accrued upon earning it.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

r) GOVERNMENT GRANTS - Government grants relating to expenditures which are not capitalised are credited to the profit and loss statement to match the related expenditure when incurred. Government grants related to capital expenditure are deferred and recognised over the life of the capitalised item.

s) RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans (including state-managed retirement benefit schemes) are charged as an expense when incurred.

t) INCOME TAX - Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, except that a debit balance for deferred tax is not carried forward unless there is a reasonable expectation of realisation.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the assets are realised or the liability is settled. Deferred tax is charged or credited to the profit and loss statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

u) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - Transactions in foreign currencies are recorded using the rates ruling on the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are denominated in foreign currencies are reported at the rates ruling at the balance sheet date. All realised and unrealised exchange adjustment profits and losses are dealt with in the profit and loss statement.

For inclusion in the consolidated financial statements, assets and liabilities of the foreign entities (subsidiaries and associates) are translated at the rates of exchange approximating those ruling at the balance sheet date. The profit and loss statements are translated at the average rates of exchange for the year, and the opening net investment in the foreign entities are translated at the historical rates. The resulting currency translation differences are taken to the currency translation reserve.

v) CASH - Cash for the consolidated cash flow statement includes cash and cash equivalents less bank overdrafts.

3 FINANCIAL RISKS AND MANAGEMENT

The group manages its exposure to financial risks using a variety of techniques and instruments.

a) Interest rate risk

Interest bearing financial assets are mainly bank balances which are all short-term in nature. Interest bearing financial liabilities are mainly bonds payable and bank loans. The interest rates are disclosed in the notes to the financial statements.

b) Credit risk

The group places its bank balances with credit worthy institutions. The group performs ongoing credit evaluation of its customers' financial condition and generally does not require collateral. This evaluation includes assessing and valuation of customers' credit reliability and periodic review of their financial status to determine credit limits to be granted.

The maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as at the end of the financial period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the balance sheet.

c) Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect group of counter parties whose aggregate credit exposure is significant in relation to the group's total credit exposure.

The company and group do not have any significant concentrations of credit risk except that as at December 31, 2003, 4 major customers account for 39% of the company's gross trade receivable from third parties.

d) Foreign currency risk

The group's foreign currency exposures arose mainly from the exchange rate movements of the Euro and US dollars against the Singapore dollars, which is also the group's reporting currency. Revenue and sales denominated in foreign currency are partly matched with corresponding costs in the same foreign currency. The group makes use of the natural hedge in the above situation to minimise its exposure to foreign currency movements.

e) Liquidity risk

Management is of the view that there is no liquidity risk as the group maintain adequate lines of facilities with financial institutions.

f) Fair value of financial instruments

The fair value of the financial assets and financial liabilities approximate their carrying value.

4 FORMER HOLDING COMPANY

As at December 31, 2002, the company was a subsidiary of Accord Express Holdings Pte Ltd, incorporated in Singapore, which was also the company's ultimate holding company.

With effect from January 1, 2003, Accord Express Holdings Pte Ltd transferred all its investment in the ordinary shares of the company to certain directors/shareholders of Accord Express Holdings Pte Ltd.

Some of the company's and the group's transactions and arrangements and terms thereof are with the former holding company and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

Significant transactions with the former holding company (2002 : holding company) and its members:

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Former holding company				
Purchase of plant and equipment	-	21	-	21
Purchase of plant and equipment on behalf of the company	13	531	13	531
Rental expense on premises	978	673	978	673
Depreciation expense recharged	-	9	-	9
Warehouse management and logistics expenses	290	830	290	830
Rebates on warehouse management and logistics expenses	-	(830)	-	(830)
Purchases paid on behalf of the company	-	3,415	-	3,415
Payments on behalf of the company	(51)	(3)	(51)	(3)
Payments on behalf by the company	10	98	10	98
Recovery of inventories written off	(652)*	-	(652)*	-
Expenses paid on behalf of the company	33	-	33	-
Expenses paid on behalf by the company	(43)	(23)	(43)	(23)

*The cost of inventories written off has been included in the cost of spare parts consumed.

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Members of the former holding company				
Purchase of plant and equipment on behalf of the company	240	-	240	-
Sale of plant and equipment	-	81	-	81
Expenses paid on behalf of the company	-	33	-	33
Payment on behalf of the company	-	9	-	8
Freight expense	15	31	15	31
Other expenses	101	150	101	150
Expenses paid on behalf by the company	321	-	321	-

5 RELATED PARTIES

Related parties are entities with common direct or indirect shareholders. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements and terms thereof are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and without fixed repayment terms unless stated otherwise.

Significant related party transactions other than those disclosed elsewhere in the notes to profit and loss statement:

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Reimbursement of expenses by a minority shareholder of a subsidiary	-	(109)	-	(109)

6 CASH

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Cash and bank balances	21,555	5,832	12,753	1,063
Fixed deposits	11,085	1,007	9,838	1,007
	32,640	6,839	22,591	2,070

Cash and bank balances and fixed deposits totalling $4,970,000 (2002 : $1,000,000) are pledged in connection with credit facilities granted by certain banks (Note 17).

7 TRADE RECEIVABLES

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Outside parties	28,039	20,831	6,404	10,588
Subsidiaries (Note 11)	-	-	7,183	7,388
	28,039	20,831	13,587	17,976
Less allowances for doubtful trade receivables	(131)	(43)	-	-
	27,908	20,788	13,587	17,976
Movement in allowances:				
At beginning of year	43	161	-	161
Charge to profit and loss	128	43	-	-
Used during the year	(10)	-	-	-
Reversal to profit and loss	(30)	(161)	-	(161)
At end of year	131	43	-	-

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Deposits	2,138	1,947	373	210
Listing expenses	-	1,039	-	1,039
Grant receivable	311	140	311	140
Prepayments	889	512	101	110
Recoverables	1,137	178	152	62
Advance for investments	-	124	-	124
Advance to investee companies	2,128	-	661	-
Management and corporate advisory fee receivable	3,249	1,047	1,489	524
Staff advances	72	10	22	10
Others	806	291	88	245
	10,730	5,288	3,197	2,464
Former holding company (Note 4)	317	432	317	432
Related parties (Note 5)	-	90	-	90
Subsidiaries (Note 11)	-	-	35,884	17,909
Due from shareholders of former holding company	-	2,850	-	2,850
Due from minority shareholders of subsidiaries	-	676	-	87
	11,047	9,336	39,398	23,832

9 INVENTORIES

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Spare parts, accessories and consumables, carried at net realisable value after the following allowances	15,440	9,621	3,773	6,295

Movement in allowances:

At beginning of year	43	83	-	-
Charge to profit and loss	277	19	-	-
Used during the year	-	(59)	-	-
At end of year	320	43	-	-

10 INVESTMENT IN ASSOCIATE

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Unquoted equity shares, at cost	-	-	-	-
Unquoted redeemable convertible bonds, at cost	500	-	500	-
Net	500	-	500	-

a) The unquoted equity shares represent cost of investment of $5 in 50% equity interest of the associate, A-Club Mobile Pte Ltd, incorporated and operating in Singapore. The principal activities of the associate are investment holding and investment in the telecommunication and mobile service sector.

b) The unquoted redeemable convertible bonds (the "Bonds") are convertible into ordinary shares of the associate, subject to certain conditions being met. The Bonds bear interest at 10% per annum compounded annually. The Bonds are redeemable at the option of the holder. Unless redeemed or converted, the Bonds together with any accrued interest are repayable in full on the third anniversary of the date on which the first tranche of Bonds were issued.

c) In 2003, the equity method had not been adopted as this associate was incorporated during the year and its results are not material to the group.

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2003	2002
	$'000	$'000
Unquoted equity shares, at cost	23,836	13,147

a) Significant transactions with subsidiaries:

	Company	
	2003	2002
	$'000	$'000
Provision of after-market services	(6,953)	(2,863)
Sale of plant and equipment	-	(2)
Management fee income	(4,919)	(4,982)
Freight expenses	1	-
Other expenses	-	(3)
Sub-contractor costs	-	2,551
Spare parts costs	846	4,042
Purchase of plant and equipment	-	2
Purchase of plant and equipment on behalf by the company	355	866
Purchase of plant and equipment on behalf of the company	-	51
Purchases paid on behalf by the company	6,478	4,234
Purchases paid on behalf of the company	1	1,060
Expenses paid on behalf by the company	2,391	1,315
Expenses paid on behalf of the company	381	1,252
Payments on behalf of the company	-	(579)
Payments on behalf by the company	261	1,079
Receipt of monies on behalf of the company	170	2
Receipt of monies on behalf by the company	(4,948)	(1,229)
Revenue billed on behalf of the company	(693)	(239)
Revenue billed on behalf by the company	20	28

On transfer of after-market services business from subsidiary

Transfer of mobile phones and accessories	82	-
Transfer of plant and equipment	241	-
Transfer of other receivables, net of accrued expenses	187	-

On transfer of distribution management solutions business to subsidiary

Transfer of mobile phones and accessories	(1,974)	-
Transfer of accrued expenses	70	-

b) The principal activities of the subsidiaries are the provision of after-market services for communication devices except for Distribution Management Solutions Pte. Ltd., whose principal activities are the provision of distribution management solutions for mobile communication and high-tech consumer products. Details of the subsidiaries are as follows:

Subsidiaries	Cost of investment		Effective equity interest		Country of incorporation/ operations
	2003	2002	2003	2002	
	$'000	$'000	%	%	
Accord CCS (Thailand) Co., Ltd (2)	750	750	100	100	Thailand
Distribution Management Solutions Pte. Ltd. (formerly known as Accord CCS Pte Ltd) (3)	600	600	100	100	Singapore
Accord Customer Care Solution (H.K.) Ltd (1a)	66	66	100	100	Hong Kong
Accord Customer Care Solutions (M) Sdn. Bhd. (1b)	340	340	100	100	Malaysia
Accord Customer Care Solution (Taiwan) Corp (1c)	2,965	2,965	100	100	Taiwan
Accord Customer Care Solutions Philippines, Inc. (1d)	125	125	100	100	Philippines

Subsidiaries	Cost of investment		Effective equity interest		Country of incorporation/ operations
	2003	2002	2003	2002	
	$'000	$'000	%	%	
Accord Customer Care Solutions (Korea) Co., Ltd (1e)	248	248	100	100	South Korea
Accord Customer Care Solutions (NZ) Ltd (1f)	932	455	100	100	New Zealand
Accord Customer Care Solutions (Suzhou) Co., Ltd (1g)	625	625	100	100	People's Republic of China
Australia Digital Mobile Services Pty Ltd (4)	(c)	(c)	100	100	Australia
Accord Customer Care Solutions Pty Ltd (1h)	549	549	100	100	Australia
P.T. AccordExpress Customer Care Solutions (5)	198	198	100	100	Indonesia
P.T. Accord Customer Care Solutions (5)	5,998	5,838	75	75	Indonesia
Accord Customer Care Solutions (Aust) Pty Ltd (1h)	9,628	(a)	100	100	Australia
Accord Customer Care Solutions (NSW) Pty Ltd (1h)	(b)	(b)	100	100	Australia

Subsidiaries	Cost of investment		Effective equity interest		Country of incorporation/ operations
	2003	2002	2003	2002	
	$'000	$'000	%	%	
Accord Customer Care Solutions (SA) Pty Ltd (1h)	(b)	(b)	100	100	Australia
Accord Customer Care Solutions (VIC) Pty Ltd (1h)	(b)	(b)	100	100	Australia
Accord Customer Care Solutions (W.A.) Pty Ltd (1h)	(b)	(b)	100	100	Australia
Accord Customer Care Solutions (QLD) Pty Ltd (4)	(b)	(b)	100	100	Australia
Accord Direct Pty Ltd	-	(a)	-	100	Australia
Accord Customer Care Solutions International Limited (3)	(a)	(a)	100	100	British Virgin Islands
Accord (Tianjin) Electronics Co., Ltd (6)	240	240	51	51	People's Republic of China
Accord Customer Care Solutions Japan KK (8)	148	148	100	100	Japan
MS1 Pty Ltd (1h)	(b)	(b)	100	100	Australia

Subsidiaries	Cost of investment 2003 $'000	Cost of investment 2002 $'000	Effective equity interest 2003 %	Effective equity interest 2002 %	Country of incorporation/ operations
Accord Customer Care Solutions FZCO (7)	243	-	100	-	United Arab Emirates
Accord Customer Care Solutions (Vietnam) Ltd (8)	177	-	100	-	Vietnam
Mobilefone Repair.com Pty Limited (9)	(a)	-	100	-	Australia
Accord Customer Care Solutions (India) Private Limited (10)	4	-	100	-	India
	23,836	13,147			

Notes on auditors:

(1) Audited by member firms of Deloitte Touche Tohmatsu, of which Deloitte & Touche, Singapore is a member as follows:

a) Deloitte Touche Tohmatsu, Hong Kong.

b) Deloitte & Touche, Malaysia.

c) Deloitte & Touche, Taiwan.

d) C. L. Manabat & Co., Philippines.

e) Deloitte Touche Hana, South Korea.

f) Deloitte Touche Tohmatsu, New Zealand.

g) Deloitte Touche Tohmatsu Certified Public Accountants Ltd., Shanghai, PRC.

h) Deloitte Touche Tohmatsu, Australia. Audited for consolidation purposes only.

(2) Audited by Amnuayporn Accounting Office Co., Ltd.

(3) Audited by Deloitte & Touche, Singapore.

(4) Inactive and not audited as not required to be audited by law in its country of incorporation.

(5) Audited by Drs Johan, Malonda & Partners (a member of Nexia International).

(6) Audited by Shanghai Certified Public Accountants.

(7) Audited by Talal Abu-Ghazaleh & Co.

(8) Not required to be audited by law in its country of incorporation and subsidiary not considered material.

(9) Unaudited management accounts for the period from October 1, 2003 (date of acquisition) to December 31, 2003 used for consolidation were reviewed by Ernst & Young, Australia.

(10) Not audited as the subsidiary was newly incorporated and not considered material.

Notes on cost:

(a) Cost of investment is less than $1,000.

(b) Shares held by another subsidiary, Accord Customer Care Solutions (Aust) Pty Ltd.

(c) Shares held by another subsidiary, Accord Customer Care Solutions Pty Ltd.

12 ADVANCE PAYMENTS FOR INVESTMENTS

	Group and Company	
	2003	2002
	$'000	$'000
Deposits and advances for acquisition of:		
Subsidiaries	14,246	-
Associates	1,500	-
Other investments	2,550	-
	18,296	-

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

13 PLANT AND EQUIPMENT

	Computers and computer system	Plant and equipment	Motor vehicles	Furniture, fittings and renovations	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Cost:					
At beginning of year	2,117	8,721	653	5,626	17,117
Exchange adjustment	49	663	23	334	1,069
Acquisition of subsidiaries	570	1,047	245	303	2,165
Additions	1,047	3,150	184	1,658	6,039
Disposals	(77)	(86)	(6)	(29)	(198)
At end of year	3,706	13,495	1,099	7,892	26,192
Accumulated depreciation:					
At beginning of year	237	1,750	55	936	2,978
Exchange adjustment	36	202	9	77	324
Acquisition of subsidiaries	368	641	93	123	1,225
Depreciation	442	1,329	160	678	2,609
Disposals	-	(20)	(2)	(3)	(25)
At end of year	1,083	3,902	315	1,811	7,111
Depreciation for last year	214	1,130	53	490	1,887
Net book value:					
At beginning of year	1,880	6,971	598	4,690	14,139
At end of year	2,623	9,593	784	6,081	19,081

Plant and equipment with cost of $785,000 (2002 : $406,000) are under finance lease (Note 20).

	Computers and computer system	Plant and equipment	Motor vehicles	Furniture, fittings and renovations	Total
	$'000	$'000	$'000	$'000	$'000
Company					
Cost:					
At beginning of year	2,196	2,019	492	2,558	7,265
Additions	1,029	359	166	227	1,781
Disposals	(76)	-	-	(1)	(77)
Transfer to a subsidiary	(17)	(172)	-	-	(189)
At end of year	3,132	2,206	658	2,784	8,780
Accumulated depreciation:					
At beginning of year	256	242	30	244	772
Depreciation	403	218	97	270	988
Transfer to a subsidiary	(5)	(20)	-	-	(25)
At end of year	654	440	127	514	1,735
Depreciation for last year	232	178	32	187	629
Net book value:					
At beginning of year	1,940	1,777	462	2,314	6,493
At end of year	2,478	1,766	531	2,270	7,045

14 OTHER INVESTMENTS

	Group and Company	
	2003	2002
	$'000	$'000
Unquoted equity shares, at cost	42	-
Club memberships, at cost	87	87
	129	87

15 GOODWILL ON CONSOLIDATION

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Cost:				
At beginning of year	11,529	6,676	-	-
Arising on acquisition of subsidiaries	631	5,295	-	-
Adjustment to cost	159	(442)	-	-
Exchange adjustment	838	-	-	-
At end of year	13,157	11,529	-	-
Accumulated amortisation:				
At beginning of year	780	257	-	-
Amortisation for the year	628	523	-	-
Exchange adjustment	(139)	-	-	-
At end of year	1,269	780	-	-
Net book value:				
At end of year	11,888	10,749	-	-
At beginning of year	10,749	6,419	-	-

16 OTHER GOODWILL

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Cost:				
Arising during the year	2,172	-	1,052	-
Exchange adjustment	138	-	-	-
	2,310	-	1,052	-
Accumulated amortisation:				
Amortisation for the year	86	-	39	-
Exchange adjustment	5	-	-	-
Balance at end of year	91	-	39	-
Net book value:				
At end of year	2,219	-	1,013	-

The above relates to goodwill on purchase of businesses and related assets.

17 SHORT-TERM BANK LOANS

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Unsecured	18,000	-	18,000	-
Secured	6,941	4,740	-	4,740
	24,941	4,740	18,000	4,740

In 2003, the bank loans amounting to $6,941,000 of the group are secured by fixed deposits of $4,970,000 of the company and certain inventories and receivables with book value of $1,661,000 and $487,000 respectively.

In 2002, the bank overdrafts and bank loans amounting to $3,557,000 of the group and company were secured by fixed deposits of $1,000,000 of the company, guarantee of $5,500,000 from its former holding company, certain inventories and receivables. The remaining loans amounting to $1,240,000 in 2002 were secured by letters of guarantee of certain directors and corporate guarantee from its former holding company.

Interest is charged from 1.49% to 5.25% (2002 : 1.76% to 2.68%) per annum.

18 TRADE PAYABLES

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Outside parties	9,428	6,913	3,399	4,121
Former holding company (Note 4)	3	1,188	3	1,188
Subsidiaries (Note 11)	-	-	5,829	12,356
Related parties (Note 5)	4	79	4	79
	9,435	8,180	9,235	17,744

19 OTHER PAYABLES

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Outside parties	745	-	684	-
Accrued expenses	8,811	4,907	3,215	2,266
Accrued interest on bonds payable	-	2,850	-	2,850
Deferred purchase consideration on acquisition of a subsidiary (Note a)	-	3,773	-	3,773
	9,556	11,530	3,899	8,889
Subsidiaries (Note 11)	-	-	29,604	-
Former holding company (Note 4)	20	-	20	-
Related parties (Note 5)	413	-	356	-
Due to minority shareholders	-	82	-	-
Due to former shareholder of a subsidiary (Note b)	336	-	-	-
	10,325	11,612	33,879	8,889

a) In 2002, the deferred purchase consideration represented the actual balance payable to the vendors for the purchase of equity interest in a subsidiary, P.T. Accord Customer Care Solutions, based on certain number of times of the audited profit before income tax of the subsidiary, as adjusted for certain items, for the financial year ended December 31, 2002. The amount was settled in 2003.

b) In 2003, the amount due to former shareholder of a subsidiary represents the balance payable to the vendor for the purchase of equity interest in a subsidiary based on the terms specified in the sale and purchase agreement dated October 1, 2003.

20 OBLIGATIONS UNDER FINANCE LEASES

	2003		2002	
	Minimum lease payment	Present value of minimum lease payments	Minimum lease payment	Present value of minimum lease payments
	$'000	$'000	$'000	$'000
Group				
Amounts payable under finance leases:				
Within one period	227	202	41	37
In the second to fifth periods inclusive	121	108	205	182
	348	310	246	219
Less: Future finance charges	(38)	NA	(27)	NA
Present value of lease obligations	310	310	219	219
Less: Amount due for settlement within 12 months shown under current liabilities)		(202)		(37)
Amount due for settlement after 12 months		108		182

The average effective borrowing rate was 3% (2002 : 3%) per annum.

21 BONDS PAYABLE

	Group and Company	
	2003	2002
	$'000	$'000
Redeemable Convertible Bonds	-	19,000

a) On September 20, 2001, the company entered into a Subscription Agreement ("Agreement") with third parties ("Bondholders") to issue 19,000,000 Redeemable Convertible Bonds of $1.00 each (the "Bonds") at par for cash for working capital purposes.

The Bonds were unsecured and bore interest at 12% per annum compounded annually from the issue date of the bonds to the redemption date. The Bonds were redeemable at the option of the Bondholders at any time on or after June 30, 2002, except that the Bondholders might redeem the Bonds immediately under certain circumstances as described in the Agreement.

b) Under the agreement, no interest will be payable on the Bonds which had been converted into Conversion Shares or Swap Shares.

c) In financial year 2002, the company, its former holding company and certain shareholders of the former holding company and the Bondholders entered into a supplemental deed. Under the supplemental deed, certain shareholders of the former holding company (one of whom is a director of the company) assumed the obligation to pay the interest payable on the Bonds in the event that any of the Bonds are not converted into Conversion Shares or Swap Shares. In addition, the obligations of such shareholders were guaranteed by the former holding company. Accordingly, the company had recorded an other receivable from shareholders of the former holding company of $ 2,850,000 as at December 31, 2002 and a reimbursement of interest expense (Note 25) amounting to $2,280,000 in 2002. In 2003, the other receivable and the accrual for interest payable on the Bonds were reversed upon the conversion of the Bonds.

d) In 2003, the 19,000,000 redeemable convertible bonds of $1.00 each were converted into 1,365,894 ordinary shares of $1.00 each pursuant to the listing of the shares of the company on the stock exchange on March 14, 2003. The conversion ratio was based on the amount of the consolidated profit before income tax of the company and its subsidiaries for financial year from July 1, 2001 to June 30, 2002, which had been audited in accordance with the scope of audit agreed to be the Bondholders, and the company, as reflected in the Agreement.

22 DEFERRED INCOME TAX

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
At beginning of year	574	430	712	401
Arising during the year	255	144	200	311
Exchange adjustment	13	-	-	-
At end of year	842	574	912	712

The balance comprises mainly the tax effect of the excess of tax depreciation over book depreciation of plant and equipment.

23 ISSUED CAPITAL

	2003 Number of shares of $0.025 each	2003 Number of shares of $1 each	2002	2003 $'000	2002 $'000
Authorised:					
Ordinary shares	20,000,000,000	500,000,000	8,000,000	500,000	8,000
Convertible redeemable preference shares ("CRPS")	-	-	2,000,000	-	2,000
Ordinary shares	20,000,000,000	500,000,000	10,000,000	500,000	10,000
Ordinary shares					
Issued and fully paid:					
At beginning of year	-	5,000,000	5,000,000	5,000	5,000
Arising during the financial year:					
Issuance of 798,768 ordinary shares of $1 each at $6.26 per ordinary share for cash pursuant to the pre-Invitation Employee Share Option Scheme	-	798,768	-	799	-
Issuance of 823,019 ordinary shares of $1 each on conversion of redeemable preference shares	-	823,019	-	823	-
Issuance of 1,365,894 ordinary shares of $1 each on conversion of redeemable convertible bonds	-	1,365,894	-	1,366	-
Issuance of 5,591,377 ordinary shares of $1 each as a bonus issue	-	5,591,377	-	5,591	-
Sub-divided into ordinary shares of $0.025 each on the basis of 40 shares for every $1.00 share	543,162,320	(13,579,058)	-	-	-

23 ISSUED CAPITAL (con't)

	2003 Number of shares of $0.025 each	2003 Number of shares of $1 each	2002 Number of shares of $1 each	2003 $'000	2002 $'000
Issuance of 90,000,000 ordinary shares of $0.025 each at an issue price of $0.27 on Initial Public Offering	90,000,000	-	-	2,250	-
At end of year	633,162,320	-	5,000,000	15,829	5,000

At the end of the financial year, pursuant to the company's ACCS Share Option Scheme 2003 as described in paragraph 6(b) of the Report of the Directors, there were 9,370,000 (2002 : Nil) unissued ordinary shares of the company under option.

	Group and Company	
	2003 $'000	2002 $'000
Preference shares		
Issued and fully-paid:		
997,473 CRPS of $1 each at beginning of year	997	-
Conversion into ordinary shares	(997)	-
Issue of 1,019,243 CRPS	-	1,019
Cancellation of 21,770 CRPS	-	(22)
Shown under current liability	-	997

a) During the financial year, the shareholders of the company approved an increase in the authorised share capital of the company from $10,000,000 to $500,000,000 divided into 500,000,000 ordinary shares of $1.00 each and the redesignation of the existing 2,000,000 convertible redeemable preference shares of $1.00 each in the authorised share capital as 2,000,000 ordinary shares of $1.00 each with each re-designated ordinary share having the same rights, privileges and restrictions attached to each existing ordinary share.

b) In 2003, pursuant to Article 50(b) of the Articles of Association of the Company, each ordinary share in the authorised, issued and paid-up capital of the company was sub-divided into ordinary shares of $0.025 each on the basis of 40 shares for every one existing ordinary share, resulting in an authorised share capital of $500,000,000 comprising 20,000,000,000 ordinary shares.

24 REVENUE

	Group	
	2003	2002
	$'000	$'000
After-market services income	83,212	62,534
Distribution management solutions income	17,468	7,458
	100,680	69,992

Revenue from provision of after-market services comprises refurbishment services, retrofit services and repair management services, and sales of parts and accessories.

Revenue from provision of distribution management solutions comprises inventory management fee and sale of mobile communication and consumer products under distribution.

Sales for the group are net of intercompany sales.

25 OTHER OPERATING INCOME

	Group 2003	Group 2002
	$'000	$'000
Management and corporate advisory fee	4,288	1,286
Royalty income	1,238	-
Software licensing fee	-	500
Commission income	-	530
Government grant	229	-
Foreign currency exchange adjustment gain - net	2,280	597
Reimbursement of expenses by a minority shareholder of a subsidiary	-	109
Interest income from non-related companies	167	34
Imputed cost of free inventories now sold	-	765
Recovery of inventories written off from former holding company (Note 4)	652	-
Others	587	811
	9,441	4,632
Reimbursement of interest expense (Note 21)	-	2,280
	9,441	6,912

26 PROFIT FROM OPERATIONS

	Group 2003 $'000	Group 2002 $'000
Amortisation of goodwill on consolidation	628	523
Amortisation of other goodwill	86	-
Directors' remuneration:		
Directors of the company	2,429	2,089
Directors of subsidiaries	168	102
Directors' fees	280	100
Auditors' remuneration:		
Auditors of the company		
Current year	130	60
Underprovision in prior year	70	10
Other auditors	211	301
Non-audit fees to the auditors of the company	-	49
Depreciation expense	2,609	1,887
Allowances for inventories	277	19
Reversal for doubtful trade receivables	(30)	(161)
Allowance for doubtful trade receivables	128	43
Inventories written off	652	-
Loss on redemption of preference shares	-	216
Preliminary expenses written-off	5	184
Foreign currency exchange adjustment gain - net	(2,280)	(597)
Minimum lease payments paid under operating leases	5,045	3,553
Gain on disposal of subsidiary	(20)	-

The number of employees of the group at end of year is 1,266 (2002 : 805).

Number of directors of the company in remuneration bands:

	2003			2002		
	Executive directors	Non-executive directors	Total	Executive directors	Non-executive directors	Total
$500,000 and above	3	-	3	1	-	1
$250,000 to $499,999	-	-	-	-	-	-
Below $250,000	-	8	8	2	6	8
	3	8	11	3	6	9

27 FINANCE COST

	Group 2003	Group 2002
	$'000	$'000
Interest on bank loans	224	46
Interest expense to non-related companies	-	16
Interest on bonds	-	2,280
	224	2,342

28 INCOME TAX EXPENSE

	Group 2003	Group 2002
	$'000	$'000
Current tax	963	2,330
Deferred tax	255	144
	1,218	2,474
Less overprovision of tax in prior years	(954)	-
Total	264	2,474

The Economic Development Board of Singapore granted a 5 year Development and Expansion Incentive under the Business Headquarters Programme, to the company commencing from January 1, 2002.

Subject to certain conditions, income derived by the company for its qualifying activities, in excess of a base of $1,095,000, will be taxed at a concessionary rate of 13%. Income from non-qualifying activities and the base of $1,095,000 will be taxed at the standard Singapore income tax rate.

The income tax expense for the group and the company varied from the amount of income tax expense determined by applying the Singapore tax rate of 22% (2002 : 22%) to profit before income tax as a result of the following:

	Group	
	2003	2002
	$'000	$'000
Tax expense at the statutory rate	4,716	3,317
Non taxable income	(3,682)	-
Tax exempt income	(519)	-
Non deductible items	884	172
Tax savings on qualifying income	(154)	(591)
Others	(27)	(424)
	1,218	2,474
Over provision in prior years	(954)	-
Net	264	2,474

29 EARNINGS PER SHARE

	Group			
	2003		2002	
	Basic	Diluted	Basic	Diluted
	$'000	$'000	$'000	$'000
Net profit attributable to shareholders	21,180	21,180	12,521	12,521
Ordinary shares of $0.025 each:				
Weighted average shares	615,162,320	615,608,510	-	-
Pre-Invitation shares	-	-	543,162,320	543,162,320
Earnings per share	3.44 cents	3.44 cents	2.31 cents	2.31 cents

30 OPERATING LEASE COMMITMENTS

At the balance sheet date, the commitments in respect of operating leases for office premises and service centers with a term of more than one year were as follows:

	Group		Company	
	2003	2002	2003	2002
	$'000	$'000	$'000	$'000
Within one year	4,375	3,687	1,823	2,060
In the second to fifth years inclusive	3,694	4,945	394	1,789
After five years	547	-	-	-

31 CONTINGENT LIABILITIES (UNSECURED)

a) The company has several outstanding bankers' guarantees amounting to $1,340,000 and $2,552,000 (2002 : $Nil) issued in favour of financial institutions and a supplier respectively, entered in the normal course of business and under a supply agreement.

b) The company has several outstanding corporate guarantees amounting to $4,791,000 (2002 : $Nil) issued in favour of financial institutions for the granting of short-term bank loans and standby documentary credit facilities to its subsidiary.

32 SEGMENT INFORMATION

The dominant source and nature of the group's risk and returns are based on the geographical areas where its service centers are located. Therefore, the primary segment is geographical segments by location of our service centers. 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, United Arab Emirates and Singapore.

North Asia comprises People's Republic of China, 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, 2003 are as follows:

By Geographical Operations

	South Asia	North Asia	South Pacific	Consolidated
	$'000	$'000	$'000	$'000
December 31, 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 income tax				21,436
Income tax				(264)
Profit before minority interest				21,172
ASSETS				
Segment assets	101,909	16,505	20,734	139,148
LIABILITIES				
Segment liabilities	10,653	2,690	6,417	19,760
Bank loan				24,941
Income tax payable				1,371
Unallocated corporate liabilities				1,152
Consolidated total liabilities				47,224
OTHER INFORMATION				
Amortisation of goodwill	344	142	228	714
Capital expenditure	3,870	1,567	602	6,039
Depreciation	1,488	505	616	2,609

	South Asia $'000	North Asia $'000	South Pacific $'000	Consolidated $'000
December 31, 2002				
REVENUE				
External sales	39,926	14,128	15,938	69,992
RESULTS				
Segment result	15,419	2,090	(91)	17,418
Finance costs				(2,342)
Profit before income tax				15,076
Income tax				(2,474)
Profit before minority interest				12,602
ASSETS				
Segment assets	50,210	10,323	11,026	71,559
LIABILITIES				
Segment liabilities	14,311	2,008	2,523	18,842
Bank overdrafts				1,269
Bank loans				4,740
Bonds payable				19,000
Preference shares				997
Income tax payable				3,838
Unallocated corporate liabilities				793
Consolidated total liabilities				49,479
OTHER INFORMATION				
Amortisation of goodwill	241	142	140	523
Capital expenditure	5,960	1,440	646	8,046
Depreciation	1,175	405	307	1,887
Other non-cash expenses	67	-	7	74

By Business Segment

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

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	
	2003	2002	2003	2002	2003	2002
	$'000	$'000	$'000	$'000	$'000	$'000
AMS	83,212	62,534	127,597	67,006	6,034	8,046
DMS	17,468	7,458	11,551	4,553	5	-
Total	100,680	69,992	139,148	71,559	6,039	8,046

33 SUBSEQUENT EVENTS

a) In January 2004, the sale and purchase agreements for the following companies were completed:

Name of company	Effective equity interest acquired	Consideration $'000
Porter Profits Limited	100%	8,762*
Allpro International Limited	20%	1,500
Shanghai ACCS Forte Science & Technology Co., Ltd	51%	2,598+

* Subject to certain adjustments based on future profits of the company and its subsidiaries for the financial years ended/ending December 31, 2003, 2004 and 2005.

\+ Subject to certain adjustments based on future profits of the company for the financial years ended/ending December 31, 2003 and 2004.

b) On February 26, 2004, subject to the approval of the Singapore Exchange Securities Trading Limited and shareholders' approval, the company proposed the issue of 316,581,160 new ordinary shares of $0.025 each in the capital of the company on the basis of one bonus share for every two existing ordinary shares of $0.025 each in the share capital of the company.

Statement of directors

In the opinion of the directors, the accompanying financial statements of the company and consolidated financial statements of the group set out on pages 43 to 88 are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at December 31, 2003 and of the results of the group, changes in equity of the company and the group and cash flows of the group for the financial year ended and at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

ON BEHALF OF THE DIRECTORS

Henry Tan Hor Thye

Victor Tan Hor Peow

February 26, 2004

Statistics of Shareholdings

As at 17 March 2004

Authorised Share Capital:	S$500,000,000
Issued and Paid-up Capital:	S$15,829,058
Class of Shares:	Ordinary Shares S$0.025 each
Voting Rights:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	9	0.26	3,392	0.00
1,000 - 10,000	2,302	66.07	15,410,778	2.43
10,001 - 1,000,000	1,136	32.61	59,510,069	9.40
1,000,001 and above	37	1.06	558,238,081	88.17
Total	3,484	100.00	633,162,320	100.00

SUBSTANTIAL SHAREHOLDERS

as recorded in the Register of Substantial Shareholders

Name	Direct Interest	%	Deemed Interest	%
Tan Hor Thye	103,728,225	16.38	11,580,552 (1)	1.83
Poh Tian Peng	91,199,973	14.40	11,580,552 (1)	1.83
PLE Investments Pte Ltd	64,781,559	10.23	17,275,117 (2)	2.73
Tan Hor Peow Victor	40,683,474 (3)	6.43	-	-
2G Capital Pte Ltd	39,200,000	6.19	-	-

Notes:

(1) deemed to be interested in shares held by Accord Holdings Pte Ltd and Dewhurst Pte Ltd

(2) deemed to be interested in shares held by M-Commerce Ventures Pte Ltd

(3) including 10,000,000 shares registered with United Overseas Bank Nominees Pte Ltd and 10,000,000 shares registered with Raffles Nominees Pte Ltd.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Tan Hor Thye	103,728,225	16.38
2	Poh Tian Peng	91,199,973	14.40
3	PLE Investments Pte Ltd	64,781,559	10.23
4	2G Capital Pte Ltd	39,200,000	6.19
5	Raffles Nominees Pte Ltd	34,419,760	5.44
6	Citibank Nominees Singapore Pte Ltd	32,150,000	5.08
7	Tan Hor Peow Victor	20,683,474	3.27
8	Poh Ho Peng	18,209,252	2.88
9	DBS Nominees Pte Ltd	17,663,000	2.79
10	M-Commerce Ventures Pte Ltd	17,275,117	2.73
11	Pro-Trans Holdings Co Ltd	17,073,320	2.70
12	United Overseas Bank Nominees Pte Ltd	16,922,980	2.67
13	Dewhurst Pte Ltd	10,075,632	1.59
14	Waterworth Pte Ltd	8,000,000	1.26
15	Ng Lai Heng	5,780,000	0.91
16	Phillip Securities Pte Ltd	5,510,780	0.87
17	Yip Hwai Chong	4,983,440	0.79
18	Nieh Teh-Chen	4,070,320	0.64
19	Meadowspring Pte Ltd	3,900,000	0.62
20	HL Bank Nominees (S) Pte Ltd	3,860,000	0.61
	Total:	519,486,832	82.05

Percentage of Shareholding in Public's Hands

We confirm that approximately 37% of the Company's entire share capital is in the hands of public shareholders as at 17 March 2004. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Annual General Meeting

Notice is hereby given that the Third Annual General Meeting of the Company ("Third AGM") will be held at 20 Toh Guan Road, #05-00, Accord Distri Centre, Singapore 608839 on Wednesday, 14 April 2004 at 9.30 a.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended December 31, 2003. **Resolution 1**

2. To re-elect Henry Tan Hor Thye, a Director retiring by rotation in accordance with Article 91 of the Company's Articles of Association and who, being eligible, offers himself for re-election. **Resolution 2***

3. To note the retirement of the following Directors, who will retire by rotation in accordance with Article 91 of the Company's Articles of Association and who have decided not to seek re-election:-
   a) Edmund Yong Kin Kwong **Resolution 3**
   b) Yip Hwai Chong **Resolution 4**

4. To re-elect the following Directors retiring under Article 97 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:-
   a) Gay Chee Cheong **Resolution 5***
   b) Ed Ng Ee Peng **Resolution 6***

5. To approve the sum of S$360,000/= proposed as Directors' fees for the year ended December 31, 2003. **Resolution 7**

6. To re-appoint Messrs Deloitte and Touche as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**

AS SPECIAL BUSINESS

7. To note the resignation of the following Directors with effect from the close of the Third AGM:-
   a) Ronnie Poh Tian Peng **Resolution 9***
   b) Alick Chia Mui Leng **Resolution 10***

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:- **Resolution 11***
   "RESOLVED that pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors to issue shares and convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares and convertible securities to be allotted and issued pursuant to this Resolution shall not exceed fifty (50) per cent. of the issued share capital

of the Company at the passing of this Resolution, of which the aggregate number of shares and convertible securities to be allotted and issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty (20) per cent. of the issued share capital of the Company at the passing of this Resolution, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier."

9. To transact any other business which may properly be transacted at an Annual General Meeting

*Please see Explanatory Notes

By Order of the Board

Woo Kah Wai
Company Secretary
29 March 2004
Singapore

***Explanatory Notes:-**

Resolution 2 – if re-elected, Henry Tan Hor Thye, a Non-Executive Director, will remain as Chairman of the Board. He will also be appointed as a member of the Nomination Committee and resign as a member of the Remuneration Committee. The biodata of Henry Tan Hor Thye is found on page 14 of the Annual Report.

Resolution 5 – if re-elected, Gay Chee Cheong, a Non-Executive Director, will be appointed as a member of the Remuneration Committee. The biodata of Gay Chee Cheong is found on page 19 of the Annual Report.

Resolution 6 – if re-elected, Ed Ng Ee Peng, an Independent Non-Executive Director, will be appointed as Chairman of the Audit Committee and a member of the Nomination Committee. The biodata of Ed Ng Ee Peng is found on page 19 of the Annual Report.

Resolution 9 – Ronnie Poh Tian Peng will upon resignation as a Director, also cease to serve as a member of the Nomination Committee.

Resolution 10 – Alick Chia Mui Leng will upon resignation as a Director, also cease to serve as Chairman of the Audit Committee and a member of the Nomination Committee.

Resolution 11 – if passed, the Resolution will empower the Directors, from the date of the above meeting until the next Annual General Meeting, to allot and issue shares and convertible securities in the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by the Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The number of shares and convertible securities that the Directors may allot and issue under the Resolution would not exceed fifty (50) per cent. of the issued share capital of the Company at the time of the passing of the Resolution. For issues of shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty (20) per cent. of the issued share capital of the Company at the time of the passing of the Resolution.

The percentage of issued share capital is based on the Company's issued share capital at the time of the passing of the Resolution after adjusting for (a) new shares arising from the conversion or exercise of convertible securities, (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time the Resolution is passed, provided the options or awards were granted in compliance with the listing rules of the Singapore Exchange Securities Trading Limited and (c) any subsequent consolidation or subdivision of shares.

Note: A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the Registered Office of the Company not later than 48 hours before the time of the meeting.

This page has been intentionally left blank.

This page has been intentionally left blank.

This page has been intentionally left blank.

PLEASE GLUE AND SEAL ALONG THE EDGE

PROXY FORM

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

(Incorporated in the Republic of Singapore)

THIRD ANNUAL GENERAL MEETING

IMPORTANT
1. For investors who have used their CPF monies to buy Accord Customer Care Solutions Limited shares, this report is forwarded to them at the request of their CPF Approved Nominees solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ______________________ (Name) ______________________ (NRIC No.)

of ____ (Address)

being a member/members of ACCORD CUSTOMER CARE SOLUTIONS LIMITED hereby appoint:

Name	Address	NRIC/Passport No.	% of Shareholdings

And/or (delete as appropriate) ______________________

____

as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held on Wednesday, 14 April 2004 at 9.30 a.m. at 20 Toh Guan Road, #05-00, Accord Distri Centre, Singapore 608839 and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions	For	Against
	Ordinary Business		
1	To adopt the Director's Report and Audited Financial Statements		
2	To re-elect Henry Tan Hor Thye		
3	To note the retirement of Edmund Yong Kin Kwong		
4	To note the retirement of Yip Hwai Chong		
5	To re-elect Gay Chee Cheong		
6	To re-elect Ed Ng Ee Peng		
7	To approve Directors' fees of S$360,000/=		
8	To re-appoint Messrs Deloitte and Touche as Auditors and to authorise Directors to fix their Remuneration		
	Special Business		
9	To note the resignation of Ronnie Poh Tian Peng		
10	To note the resignation of Alick Chia Mui Leng		
11	To authorise the Directors to issue shares not exceeding 50% of the Company's issued share capital		

Total Number of Shares Held

Signature(s) or Common Seal of members(s)

Date

PLEASE GLUE AND SEAL ALONG THE EDGE

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and shares registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Toh Guan Road #07-00 Accord Distri Centre Singapore 608839 not less than 48 hours before the time appointed for the Annual General meeting.

1ST FOLD

4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

5. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by the Central Depository (Pte) Limited to the Company.

2ND FOLD

Affix
Postage
Stamp

Company Secretary
Accord Customer Care Solutions Limited
20 Toh Guan Road #07-00
Accord Distri Centre
Singapore 608839

3RD FOLD

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

20 Toh Guan Road #07-00 Accord Distri Centre Singapore 608839
Tel: (65) 6410 2600 Fax: (65) 6410 2610
Website: http://www.accordccs.com Hotline: (65) MEET ACCS / (65) 6338 2227