ACCORD CUSTOMER CARE SOLUTIONS LIMITED
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ACCORD CUSTOMER CARE SOLUTIONS LIMITED annual report 2002

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

Expanding Our Network, Widening Our Reach

annual report 2002

Contents

VISION

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

CORPORATE PROFILE

Incorporated on 21 October 2000, we are a regional after-market services provider offering a comprehensive suite of integrated after-sales customer services on behalf of our partners to end-users of mobile communication and high-tech consumer products.

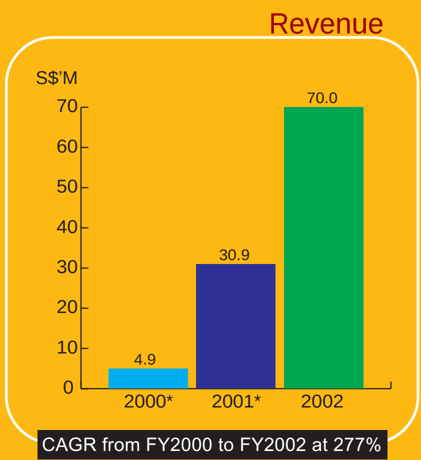
The brands that we cover include :

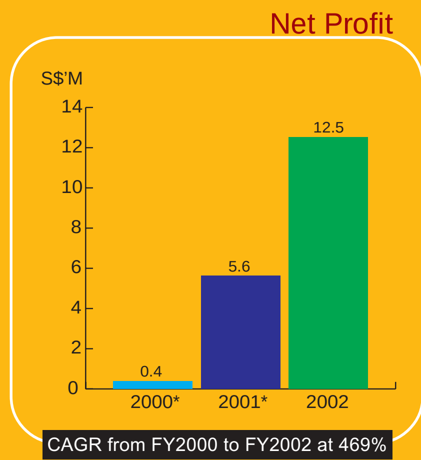
- 16 global mobile communication device manufacturers, namely Alcatel, Audiovox, Hyundai, Kyocera, Motorola, NEC, Nokia, O_2, Panasonic, Philips, Sagem, Samsung, Sendo, Siemens, Sony Ericsson and Telit;
- 4 Chinese handset manufacturers including CECT, Daxian, Haier and TCL; and
- 2 high-tech consumer product manufacturers, Samsung and Thomson Multimedia.

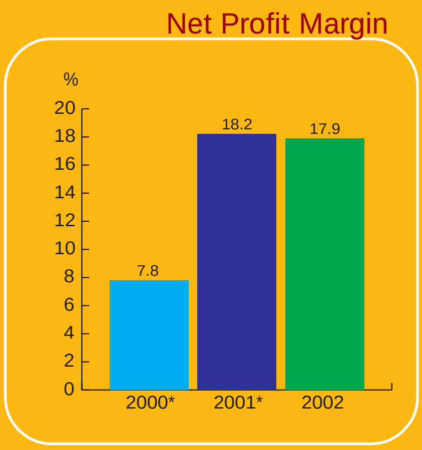
As at 30 April 2003, we operate an extensive network of 136 service centres and 146 third-party repair-management centres in 36 cities across 14 countries/territories in the Asia-Pacific.

Financial Highlights

(* Proforma for the year ended 31 December)







Key Measurements	5 mths ended 31 Dec 1999	12 mths ended 31 Dec 2000	12 mths ended 31 Dec 2001	12 mths ended 31 Dec 2002	As at 30 Apr 2003
No. of service centres	2	11	62	98	136
No. of repair management centres	0	0	0	110	146
No. of brand coverage	1	4	14	18	21
No. of countries / territories	2	6	11	12	14
No. of cities	2	8	17	25	36

Corporate Information

Board of Directors:

Henry Tan Hor Thye	*Non-Executive Chairman*
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*
Ronnie Poh Tian Peng	*Non-Executive Director*
Liow Voon Kheong	*Non-Executive Director*
Chia Leok Yeen	*Alternate 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*

Company Secretary:

Liu Kamward, LL.B (Hons)

Remuneration Committee:

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

Secretary: Liu Kamward

Audit Committee:

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

Secretary: Liu Kamward

Nomination Committee:

Leow Poh Tat Philip (Chairman)
Chia Mui Leng Alick
Ronnie Poh Tian Peng

Secretary: Liu Kamward

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

...our business has been growing at a phenomenal pace, registering compounded annual growth rate of 277% in revenue and 469% in net profit...

Dear Shareholders

On behalf of the Board, I would like to express my appreciation for your support in our recent Initial Public Offer, and to welcome you as part of the ACCS family.

Since the day we started providing After-Market Services ("AMS") to mobile phone manufacturers in 1999, our business has been growing at a phenomenal pace, registering compounded annual growth rate of 277% in revenue and 469% in net profit from FY2000 to FY2002.

Today, ACCS is probably the largest AMS provider in the Asia-Pacific region with an extensive network of 136 service centres in 36 cities across 14 countries. Through our network, we are able to provide AMS on a regional or multi-country basis, to 16 global mobile communication device manufacturers including some of the biggest names in the industry; 4 Chinese handset manufacturers; and 2 high-tech consumer products manufacturers.

Chairman's Statement

I am pleased to say that our efforts in growing our business overseas and developing ACCS as a key global player have also received recognition from the authorities. In September 2002, we joined the growing ranks of homegrown companies to be awarded the Business Headquarter status by the Economic Development Board alongside many leading multinational corporations.

The achievements and progress we have made so far have put us in a strong position to deliver sustainable, broad-based growth in the pan-Asian region in the coming years.

Looking Ahead - Market Opportunities

The market opportunities for ACCS stem from changing trends faced by both the manufacturers and consumers.

As manufacturers become increasingly focused on their core competencies, a new wave of outsourcing has evolved. Product manufacturers are now moving towards outsourcing their after-sales functions to independent third-party AMS providers, like us. We believe that we are at the start of this new wave and there is definitely scope for us to tap on this growth trend.

For consumers, as mobile communication and high-tech consumer products become increasingly sophisticated and consequently, more expensive, there is a greater tendency to seek repairs rather than replacement when products break down. As such, the need for strong after-sales customer support increases. We believe that we are able to tap on this rising need as we have the expertise and competency to rapidly develop technical know-how to offer AMS to manufacturers of other high-tech consumer products.

Growth Drivers

Even as we continue to step up our presence in the growing regional markets where penetration rates for mobile communication devices continue to rise - India, Indonesia, Malaysia, the Philippines, Thailand and Vietnam - our focus this year will be on China. At 203 million connections, China is the world's largest market for mobile phone manufacturers and we expect tremendous demand for an AMS provider with the support infrastructure and service network across China. That is why we will be focusing on establishing a service network in China that can cater to both our existing partners, as well as China manufacturers. Our target for China is to set up a service network that spans 31 provinces within the next three years.

Commitment to Stakeholders

Our track record and achievements in such a short period of time have proven the viability, scalability and strength of the ACCS business model. ACCS is definitely on the growth track and I want to assure you of ACCS' commitment to delivering strong returns and value growth to all our stakeholders.

As a newly-listed company, I would also like to reiterate the commitment of our Board and senior management in maintaining a high level of corporate governance, in compliance with the Code of Corporate Governance and best practice.

Conclusion

Our vision of having at least one ACCS centre in every major city can be achieved only with the continued support of our principals, customers, business partners and very importantly, our employees. To all of you, on behalf of the Board, I would like to express our deepest gratitude, and we look forward to your continuing support this year.

Henry Tan Hor Thye
Chairman

Board of Directors

Henry Tan Hor Thye is our founder and Non-Executive Chairman. Mr Henry Tan was appointed to our Board on 21 October 2000. He is also the founder and chairman and Chief Executive Officer of the Accord Express Holdings group of companies (the "AEH Group"). Mr Henry Tan started the AEH Group in 1984 with the founding of Accord Shipping Pte Ltd ("ASPL") in November 1984. This was a transport and freight forwarding business, which he eventually transformed into a leading player in the third-party logistics ("3PL") business. The AEH Group now operates on an extensive network in the Asia-Pacific region. In 1995, the AEH Group was recognised as a Promising Local Enterprise by the Economic Development Board of Singapore.

Recognising the need to change, Mr Henry Tan moved the company into the 3PL business in 1996 and in 1999, spun off ACCS as a separate business unit within the AEH Group. In 2001, Mr Henry Tan led AEH to receive the Enterprise 50 award supported by the Economic Development Board of Singapore. For 2002, AEH was ranked second in the Enterprise 50 Awards. AEH was also the award recipient for the Highest Industry Turnover Growth-Communications, Transport and Storage in the annual Singapore 1000 2002/2003 Awards. Mr Henry Tan is a member of the Economic Review Committee's Sub-committee for Service Industries Working Group on Logistics and Land & Transport Taskforce. In 2002, Mr Henry Tan was selected as one of the top 3 finalists for the Ernst & Young's Master Entrepreneur of the Year award. This year, Mr Henry Tan led AEH to receive the prestigious Enterprise Award at the 2002 Singapore Business Awards.

Victor Tan Hor Peow is our founder, Managing Director and Chief Executive Officer. He was appointed to our Board on 21 October 2000. Mr Victor Tan is responsible for charting the direction of our Company and oversees Mergers and Acquisitions, the Quality Assurance Committee and the Inventory, Information Technology and Corporate Affairs (Investor Relations, Public Relations and Legal) departments of our Company. Prior to his appointment, Mr Victor Tan held various positions in the AEH Group of companies (AEH and ASPL). He started as the Operations Manager of ASPL in 1995 and was appointed as its Director in 1996. Mr Victor Tan led the AEH Group's diversification into logistics via AEH when he successfully secured contracts for the provision of integrated logistics services with Samsung Asia Pte Ltd, Electronics Imaging Division of Toshiba Singapore Pte Ltd, Thomson Multimedia Asia Pacific Pte Ltd, SKF South East Asia & Pacific Pte Ltd and Firmenich Asia Private Ltd. Mr Victor Tan was appointed as a Director of AEH in 1997. In 1999, he anticipated the need by manufacturers of mobile communication devices and high-tech consumer products for reliable after-market service providers. His vision and business acumen led to the venture of AEH into the provision of after-market services for mobile communication devices and high-tech consumer products in 1999 and the establishment of our Company in Singapore in 2000.

Yong Kin Kwong Edmund is our Executive Director and Chief Operating Officer. He was appointed to our Board on 28 September 2001. Mr Yong is responsible for developing new streams of revenue for ACCS and providing the strategy for the 4 regions and maximising the profitability through cost control and efficient use of resources within ACCS. Prior to that, Mr Yong was the Vice President (Investments) of EDB Ventures Pte Ltd. He was with EDB Investments Pte Ltd ("EDBI") from September 1998 to April 2002. He was in charge of M-Commerce Ventures Pte Ltd ("MCV"), which is a worldwide wireless focused fund with international partners that is managed by EDBI. One of his major responsibilities including investing, was the regular briefing of the limited partners on mobile commerce trends worldwide. Some of the MCV shareholders include Global TIMES Ventures Holding GmbH and Co. KG (managed by T-Venture Holding GmbH); Infosys Technologies Limited and Siemens Venture Capital GmbH. Prior to that, Mr Yong was the Group Executive Director of Markono Holdings Pte Ltd ("Markono Holdings") from April 1996 to June 1998. At Markono Holdings, Mr Yong had bottom line responsibility for the whole group whose interests include logistics, printing and trading. Prior to that, he was the Finance Director of the Raffles Medical Group from March 1994 to April 1996. In this capacity, he was responsible for preparing the company for listing and also headed the IT department.

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

Board of Directors

Yip Hwai Chong is our Executive Director and Chief Financial Officer. He was appointed to our Board on 31 July 2002. Mr Yip ensures the smooth running of our Company's Corporate Services Division, manages the Finance Department and is responsible for the regional expansion of our Group. Prior to that he was the Director, Corporate Services in AEH since 1999. Prior to joining the Accord Group, he was with Keppel Logistics Pte Ltd (formerly known as W & T Logistics Pte Ltd) from 1994 to 1999, first as its Accounts and Administration Manager and subsequently as its Finance/Business Development Manager. Prior to that, he was with Gain City Best-Electric Pte Ltd from 1993 to 1994 as its Finance and Administrative Manager. Mr Yip holds a Bachelor of Accounting (Honours) degree from the National University of Singapore. He is also a Certified Public Accountant of the Institute of Certified Public Accountants of Singapore.

Ronnie Poh Tian Peng is our Non-Executive Director and was appointed to our Board on 31 July 2002. Mr Poh is also the co-founder and Senior Executive Director of the Accord Express Holdings Group. Together with Mr Henry Tan, he set up ASPL in 1984, Accord Container Line (M) Sdn Bhd in 1988 and established Accord Container Line Pte Ltd in Singapore in 1989. They went on to expand their businesses into Bangladesh, Hong Kong, India, Indonesia, the PRC, the Philippines, Sri Lanka, Taiwan, Thailand and Vietnam, opened the Accord Distri Centre in Singapore in 1997, established Accord Air Freight Pte Ltd in 2000 and opened the Accord Famous Distri Centre in 2001. Mr Poh is the Managing Director of Accord Famous Logistics Pte Ltd.

Liow Voon Kheong is our Non-Executive Director. He was appointed to our Board on 30 April 2002. Mr Liow has served the EDB since 1976 in various positions including Head (Venture Capital), Director (Electronics) and Assistant Managing Director (Operations), while concurrently serving as General Manager of EDB Investments Pte Ltd ("EDBI") and its subsidiary co-investment funds such as EDB Ventures Pte Ltd ("EDBV") and PLE Investments Pte Ltd ("PLEI"). With effect from October 2001, Mr Liow assumed the position of General Manager, EDBI, on a full-time basis. 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.

Chia Leok Yeen is the alternate Director to Mr Liow. She was appointed to our Board on 30 April 2002. Ms Chia has served the EDB since 1973 and has been dealing with local enterprises development for more than 20 years. In 1995, she was appointed as Deputy Director of the Enterprise Development Division and, concurrently, Senior Manager of EDBI. With effect from 1 September 1998, she assumed the position of Vice President, EDBI, on a full-time basis. Ms Chia holds a Bachelor of Arts from the then Nanyang University.

Dr Wang Kai Yuen is our Independent Non-Executive Director. He was appointed to our Board on 31 July 2002. He has been the Managing Director of Xerox Singapore Software Centre since 1999. Prior to that, Dr Wang was the Director of Xerox Singapore Software Centre. Dr Wang has been a Member of Parliament since 1984. He is currently the Member of Parliament representing the Bukit Timah Constituency and is the Chairman of the Government Parliamentary Committee for Education. He is also the Chairman of the Feedback Unit. Dr Wang holds a Bachelor of Engineering with first class honours in Electrical and Electronics 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 was awarded a merit scholarship in 1968, the Ford Foundation Scholarship for postgraduate study in the United States in 1978 and a Friends of Labour Award in 1988.

Chia Mui Leng Alick is our Independent Non-Executive Director. He was appointed to our Board on 31 July 2002. He is also a Director of SKF South East Asia & Pacific Pte Ltd ("SKF SEA"). He served as the Managing Director of SKF Logistics Services Asia, which is a strategic business unit within SKF SEA. Mr Chia has worked in the SKF Group for 24 years and has held the following appointments during his tenure of services; Regional Logistics Director for SKF SEA; President of SKF Bearing Services Taiwan Ltd; Regional Marketing Director, SKF SEA and the Managing Director of SKF Logistics Services Asia since 1996. Mr Chia holds a Master of Business Administration from Brunel University, United Kingdom, a Diploma in Purchasing and Supply Management from the Chartered Institute of Purchasing and Supply (CIPS), United Kingdom, a Diploma in Marketing from CIM, United Kingdom, a Diploma in Management Studies from the Singapore Institute of Management. He is a Fellow member of the Chartered Institute of Purchasing and Supply, UK, the Chartered Institute of Marketing, UK, and the Institutes of Logistics and Transport, UK, and the Singapore Institute of Purchasing and Materials Management ("SIPMM"). Mr Chia is the current Chairman of the SIPMM Governing Council and the Head of the Business Survey Committee, which has been involved in the compilation issue and publication of the Singapore Purchasing Managers' Index that monitors the development of the manufacturing in Singapore since 1999.

Leow Poh Tat Philip is our Independent Non-Executive Director. He was appointed to our Board on 31 July 2002. He is currently the Executive Director of DTZ Debenham Tie Leung (SEA) Pte Ltd. Mr Leow also sits on the board of Edmund Tie & Company Holdings Pte Ltd. He is a licensed valuer with twenty years of professional and management experience in the real estate industry, both in Singapore and regionally. Mr Leow has advised on asset valuations for both private and public companies for purpose of sale and purchase, public flotation, take-over of defended bids and litigation. Mr Leow holds a Bachelor of Science in Estate Management from the National University of Singapore. He is a member of the Singapore Institute of Surveyors and Valuers.

Key Management

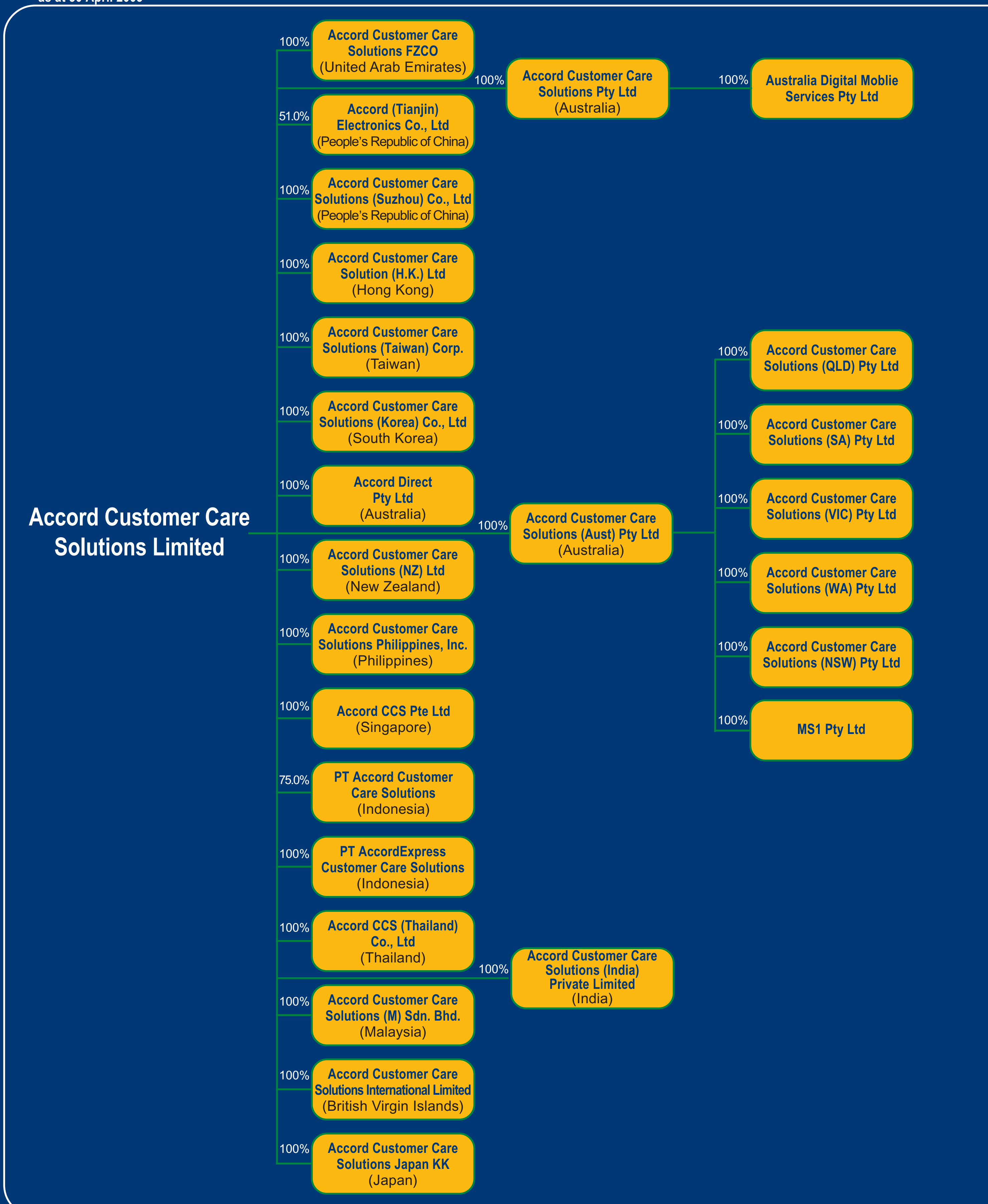
Tan Hor Khim is our Director (Greater China) and is responsible for our operations, the centre management and the business development in China, Hong Kong and Taiwan. Prior to that, he was the Director (North Asia). Mr Tan joined our Company on 1 December 2001. Prior to joining us, he was the Assistant Director of Accord Shipping Pte Ltd from May 2000 to October 2001, the Assistant General Manager (IT, Building Management) of Accord Express Holdings Pte Ltd from January 1998 to April 2000 and the Assistant General Manager (Logistics) of Accord Express Holdings Pte Ltd from November 1996 to December 1997. He is also a Director and the General Manager of Master Cornerstone Pte Ltd since December 1993. Mr Tan holds a Diploma in Chemical Processing from the Singapore Polytechnic.

Newell Lock is our Director (South Pacific) and is responsible for the operations, centre management and the business development of our Australian Subsidiaries. He oversees Accord Customer Care Solutions (Aust) Pty Ltd, Accord Customer Care Solutions (NSW) Pty Ltd, Accord Customer Care Solutions (NZ) Pty Ltd, Accord Customer Care Solutions (QLD) Pty Ltd, Accord Customer Care Solutions (SA) Pty Ltd, Accord Customer Care Solutions (VIC) Pty Ltd, Accord Customer Care Solutions (WA) Pty Ltd and Accord Direct Pty Ltd. Mr Newell Lock joined our Company on 1 November 2001. Prior to joining us, he was the principal for 17 years in a chartered accounting firm in Melbourne, Australia. Mr Newell Lock is a Fellow of the Institute of Chartered Accountants, a member of the Institute of Chartered Secretaries and a registered Company Auditor.

Richard Siua Cheng Foo is our Director (North Asia & Projects) and is responsible for our operations, the centre management and the business development in North Asia as well as business planning, feasibility studies, budgeting and implementation of specially assigned projects. Prior to this, he was the General Manager (China & Regional Business Development) since 1 December 2001. He joined our Company in October 2000 as the Senior Manager (Business Development). Prior to joining us, Mr Siua was the Senior Manager at Steven Loh Consulting Pte Ltd, a property consultancy firm where he was responsible for valuation consultancy, feasibility studies and investment analysis from 1996 to 2000. Mr Siua holds a Bachelor of Science (Estate Management) with honours from the National University of Singapore.

Group Structure

*as at 30 April 2003



...achieved almost 39-fold increase in profit before income tax from $0.38 million in FY2000 to $15.1 million in FY2002...

I Have A Dream - resounding words from the milestone speech delivered by Martin Luther King; and words which served as my guiding principle some three years ago when ACCS first began operations as a division of Accord Express Holdings in August 1999.

My dream then was to make ACCS the global leader in After-Market Services (AMS) for high-tech consumer products. Since then, I have not wavered in my commitment in fulfilling the dream and have set a personal challenge for myself - to set up an ACCS service centre in all the major cities in the world.

The ACCS Story

The story of ACCS started just over three years ago - and so, the story of AMS.

In the late 90's, consumers in need of AMS for their mobile phones would need to go to factory-based repair centres devoid of proper walk-in facilities and customer service. Duration of handset repairs would also stretch for several days.

Operations Review

It was in 1999 that we noticed an interesting trend. Handset behemoths in the likes of Alcatel and Nokia were increasingly outsourcing their repair management activities and focusing on upstream R&D initiatives.

ACCS rode on this outsourcing wave and positioned ourselves as a one-stop shop, offering comprehensive and integrated AMS to customers - which include manufacturers, distributors, network operators and end-users in the mobile communication and high-tech consumer products sectors.

In essence, we made AMS highly accessible to all relevant parties, especially the end-users. This is made possible on two fronts - the physical infrastructure of service centres of myriad global brands that we represent, and our proprietary IT software, ACROSS (Accord Customer Relations One-Stop Suite) which enables us to analyse relevant data and generate consolidated real-time reports for our partners and other customers.

Above all, our success was a result of the scalability of our business model.

With a highly scalable business model, the geographical reach of our business has grown significantly over the last $3\frac{1}{2}$ years while our commitment to customer service remains steadfast. We are in the business not just to make a profit, but more importantly, to make a difference in the AMS arena.

In a short span of $3\frac{1}{2}$ years, ACCS has seen quantum leaps and as at 30 April 2003 :

- our portfolio of global mobile communication device manufacturers increased from 1 to 16
- our number of Chinese handset brands increased from 0 to 4
- our network of service centres increased from 2 to 136
- our network of repair management centres grew from 0 to 146
- geographical presence rose from 2 to 14 countries
- achieved almost 39-fold increase in profit before income tax from $0.38 million in FY2000 to $15.1 million in FY2002

The Year in Review

Our latest financial figures mark the culmination of $3\frac{1}{2}$ years of disciplined work, commitment and determination. Attributes which form the hallmark of the ACCS business philosophy; and attributes which are turning our strategic plans into reality.

ACCS posted a significant jump of 122.1% in net profit to $12.5 million for the full-year ended 31 December 2002 compared to the previous 15-month period. Group revenue soared 114.7% to $70 million, boosted by contributions from new service centres, as well as increased business volume from existing centres.

Earnings per share leapt 122.1% to 2.31 cents from 1.04 cents in the previous 15-month period, while net tangible asset value per share soared 154.2% to 3.33 cents from 1.31 cents.

We are heartened to say that we have maintained a strong profitability level with average net profit margins of 17.5% over the last two years.

In the course of FY2002, we established a total of 36 service centres across Asia Pacific. In addition to setting up wholly-owned service centres, we have also expanded our existing business model by moving into the management of service centres on behalf of principals. During the year, we secured an agreement to manage 110 Authorised Service Centres on behalf of Nokia in South Korea.

We are pleased to say that we closed fiscal 2002 on a high note. The progress we made in the course of the year has put us in a strong position to deliver sustainable, long term growth.

Going Forward

The Chinese Gameplan

According to Gartner, China is already the world's largest market for mobile phones. China's mobile phone subscriber base is expected to grow to 258 million in 2003 and touch 385 million by 2006.

It is against this backdrop that we strive to build an ACCS network to encapsulate China's 31 provinces within the next three years. In FY2002, we operated only one service centre in Suzhou. Since then, we have made a big push into China and as at 30 April 2003, we operate a total of 30 service centres in China covering Beijing, Guangzhou, He Bei, Shan Dong, Shanghai, Suzhou and Tianjin.

In Shanghai, we recently completed a $2.7 million deal to acquire a 51% interest in Shanghai Forte which operates 4 service centres for Motorola. Through this acquisition, ACCS has also secured contracts to distribute mobile phone parts and accessories for Motorola in the Hua Dong area, and for Alcatel in the whole of China.

In Tianjin, we entered into a joint venture to manage a service centre each for Motorola and Haier. ACCS owns 51% of this joint venture, while Tianjin Beifangtong, which is the current operator of these service centres, owns the remaining 49%.

We also have agreements with two companies in Guangzhou and Shanghai where we manage 23 of their service centres located in Beijing, Guangzhou, He Bei, Shan Dong and Tianjin. The brand coverage for these centres includes international brands such as Motorola, Panasonic, Philips and Siemens; and domestic brands like CECT, Daxian, Haier, and TCL.

Our strategy for China is to target both global and local brands and we are pleased to have recently signed up 4 Chinese handset manufacturers - CECT Telcom Co. Ltd; Dalian Daxian Group Co., Ltd; Haier Group; and TCL Corporation. The gameplan is to win over the other Chinese bellwethers such as China Kejian Co., Ltd; Eastern Communications Co., Ltd; Legend Holdings Co., Ltd; and Ningbo Bird Co., Ltd - Chinese brands which will significantly make their presence felt in the domestic market.

Expanding the Network

In a fragmented AMS industry characterised by many small local players, we have benefited from being a first mover. However, we are always mindful of competition although there is currently no regional player who has our geographical network, operational scale and technical capabilities.

In order to maintain our competitive edge, we have to continually expand our geographical network so that we can offer a greater support base to our principals in all the markets they operate in. As the AMS industry trends towards fewer and larger independent service providers, we have to move fast to position ourselves as the "preferred global AMS partner" that has the most extensive geographical coverage in pan-Asia.

We will employ a three-pronged strategy in expanding our network of service centres and presence in each country. These include strategic acquisitions; setting-up of wholly-owned service centres; and the management of repair centre network for principals.

For the four months ended 30 April 2003, we have already set up an additional 38 service centres in Australia, China, Malaysia, the Philippines, Singapore, Thailand, UAE and Vietnam, giving ACCS a network of 136 service centres in 36 cities across 14 countries/territories.

This also includes the Regional Nokia CDMA Service Centre based in Singapore, which we are managing on behalf of Nokia that services CDMA handsets in the Asia-Pacific region.

On the repair management centres front, we have signed up with Sony Ericsson to manage 31 repair management centres in Australia, Brunei and Malaysia, and we have another agreement with Digital Telecom Access Communication PLC (DTAC), a leading full-service telecommunications provider

in Thailand to manage their DTAC Service Halls in Bangkok. To date, ACCS manages 5 of such DTAC Service Halls and will manage another 2 more by May 2003.

Even as we continue to build up an extensive geographical network, we are also replicating our AMS model to service other high-tech consumer products such as plasma televisions and digital network refrigerators for Samsung, PDA-phones for O_2, as well as DECT phones for Philips and Siemens.

Strengthening Relationships

In the last three years, we have gained the trust and respect of our principals through our commitment to quality and service. With the AMS landscape trending towards the prevalence of dedicated centres for individual brands, ACCS is in a strong position to ride on this trend, given its extensive network and long-standing relationships with its partners.

Being part of the principals' front-end value chain as we manage care centres under their brand names and uphold their brand reputation in providing after-sales customer services, we aim to become an integral part of our principals' regional expansion plans.

Conclusion

Market conditions and emerging technology are driving rapid and far reaching changes in the high-tech consumer products arena. The challenge is for ACCS to remain at the forefront of the emerging technologies. To this end, we have equipped ourselves with knowledge of the latest technology such as 3G, in a bid to reinforce our position as a preferred AMS partner when 3G-enabled products gain market prominence. In fact, we are already providing AMS for 3G phones in Japan through our Nokia Authorised Service Centre in Tokyo. As consumer products increase in technical sophistication, we will also enhance our own engineering capability to keep pace.

As in all global businesses, the political and social stability of the countries we operate in is critical to our success. While these are inevitable country risks we have to face, we have taken measures to structure ACCS to be an integrated, agile and responsive company that can leverage on any opportunities available.

While the current environment remains uncertain, we will continue to build on our core competencies, principals' network and geographical presence to grow the business, albeit with prudence. We will continue to pursue our expansion plans as our operations have not been affected by the SARS outbreak or the war in Iraq. We are confident that with the favourable market trends and strategic expansion plans, our revenue and profit this year will continue to improve, barring any unforeseen circumstances.

Victor Tan Hor Peow
Chief Executive Officer & Managing Director

Network

Middle East
United Arab Emirates (Dubai)

North Asia
Hong Kong (Wanchai)
Japan (Tokyo)
The People's Republic of China (Beijing, Guangzhou, He Bei, Shan Dong, Shanghai, Suzhou, Tianjin)
South Korea (Busan, Seoul)
Taiwan (Kaohsiung, Taipei)

South Asia
Indonesia (Bandung, Jakarta, Semarang, Surabaya)
Malaysia (Johor Bahru, Kota Bahru, Kota Kinabalu, Kuala Lumpur, Penang, Petaling Jaya)
The Philippines (Cebu, Manila)
Singapore
Thailand (Bangkok, Chiangmai, Udonthani)
Vietnam (Ho Chi Minh City)

South Pacific
Australia (Melbourne, Perth, Sydney)
New Zealand (Auckland, Wellington)

Corporate Governance Statement

The Company was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) only on 14 March 2003. Prior to its listing, it was a private limited company which was converted to a public company on 24 December 2002. While it has already in place certain corporate governance checks and procedures, the Company is nevertheless committed to observe and practise the higher standards of corporate governance and to embrace the best practices recommended in the SGX-ST's Best Practice Guide for Financial Year Ending 31 December 2003 and going forward.

BOARD OF DIRECTORS

Board's Conduct of its Affairs

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.

All other matters will be delegated to committees whose actions will be monitored by the Board. These Committees include the Audit Committee, the Nominating Committee and the Remuneration Committee who will operate within clearly defined terms of reference and functional procedures.

Regular 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 from time to time. 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, is disclosed in this Report.

Relevant programmes will be 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 will allocate a training budget to fund the Directors' participation at industry conferences and seminars, and to fund Directors' attendance at any course appropriate to their discharge of duties as Directors. Details of this training budget are being worked out.

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. 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 6 Non-Executive Directors of whom 3 are also Independent Directors. The independence of each Director will be reviewed annually by the Nominating Committee ("NC") to ensure that no individual or small group of individuals dominate the Board's decision making process. The NC will adopt the Code's definition of what constitutes an Independent Director in its review and shall ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives.

While the Company's Articles allow for the appointment of a maximum of 12 Directors, the NC is of the view that the current board size of 9 Directors is appropriate, taking into account the nature and scope of the Company's Business and operations.

Role of Chairman and Chief Executive Officer

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

The Company makes available to all Directors its monthly management accounts and other financial statements and the telephone numbers and e-mail addresses of the Company's Senior Management and Company Secretary to facilitate access.

The Company Secretary attends all Board and Board Committee meetings. Together with members of the Company's Management, they are responsible for and help ensure that appropriate procedures are followed and that the requirements of the Companies Act and the SGX-ST Listing Manual provisions are complied with.

BOARD COMMITTEES

Nominating Committee ("NC")

The Company's NC, comprising Messrs Leow Poh Tat Philip, Chia Mui Leng Alick and Ronnie Poh Tian Peng, was set up on 4 October 2002. Mr Leow chairs this Committee which is responsible for: -

(i) re-nomination of Directors having regard to their contribution and performance;

(ii) determining annually whether or not a Director is independent;

(iii) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director; 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, subject to the approval of the Board, to address how the Board has enhanced long-term shareholders' value. The performance evaluation will also include consideration of the Company's share price performance vis-a-vis the Singapore Straits Times Index and a benchmark index of its industry peers. The Board will also implement a process to be carried out by the NC 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 recommendation 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 AGM of the Company. The NC, in considering the re-appointment of any Director, shall evaluate the performance of the Director. The Chairman 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 discusses 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 reappointment.

Audit Committee ("AC")

For greater independence and effectiveness in providing the checks and balances, the Company on 4 October 2002 appointed three Independent Non-executive Directors as Members of the AC. 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. The AC Members each has many years of experience in managerial positions in various industries and has 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 on the system of internal controls;

(c) reviewing the external auditors' report;

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

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

(f) nominating external auditors for re-appointment; 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. 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 will be submitted to the Board for its information and review.

The AC will meet with the external auditors, without the presence of management, once a year, to review the adequacy of audit arrangement, with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the auditors.

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.

Appointed on 4 October 2002, the RC is mandated with the responsibility to oversee the general compensation of senior management employees of our Group with a goal to motivate, recruit and retain employees through competitive compensation and progressive policies. The RC is also responsible for approving remuneration matters of our Executive Directors and associates of controlling shareholders.

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 remuneration.

Procedures for Developing Remuneration Policies, Level and Mix of Remuneration and 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) approve the structure of the compensation programme for Directors and Senior Management to ensure that the programme is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully;

3) review Directors' and Senior Management's compensation annually and determine appropriate adjustments; and review and recommend the CEO's pay adjustments; and

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 CEO's remuneration package includes a performance-related variable bonus, and also stock options which have been designed to align his 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, These Directors Fees are subject to approval of shareholders at the Company's AGM.

A breakdown, showing the level and mix of each individual Director's remuneration payable for FY2002 is as follows:

Directors' Remuneration

Name	Fees*** (S$)	Salary (S$)	Bonus** (S$)	Other Benefits* (S$)
Henry Tan Hor Thye	-	-	-	96,000
Victor Tan Hor Peow	-	360,000	930,000	251,450
Yong Kin Kwong Edmund	-	160,000	39,999	14,080
Yip Hwai Chong	-	120,000	40,000	77,920
Ronnie Poh Tian Peng	20,000	-	-	-
Liow Voon Kheong	20,000	-	-	-
Chia Leok Yeen	-	-	-	-
Dr Wang Kai Yuen	20,000	-	-	-
Chia Mui Leng Alick	20,000	-	-	-
Leow Poh Tat Philip	20,000	-	-	-

*** these fees are subject to approval by shareholders as a lump sum at the AGM for FY2002.
** includes Annual Wage Supplement and Variable Bonus.
* include employers' CPF, allowance and car benefits

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

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 referred to as the "Executive Directors").

Under their Service Agreements, the Executive Directors 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 continue for a period of 5 years (unless terminated by either party on the giving of 6 months' notice). Each Service Agreement will also terminate automatically in the event of death of the Executive Director and may be terminated immediately by our Company without prior notice on the occurrence of certain specified events including serious or persistent breach of obligations, grave misconduct or bankruptcy.

Under the terms of the Service Agreements, the monthly salaries of Mr Victor Tan Hor Peow, Mr Yong Kin Kwong Edmund and Mr Yip Hwai Chong are $45,000, $25,000 and $20,000 respectively ("Basic Salary").

Their Basic Salaries will be reviewed annually by our Remuneration Committee and shall be increased by 10 per cent per annum if our Company achieves the target set by the Board for a particular year ("Annual Target"). In the event our Company does not achieve the Annual Target, the Executive Directors' Basic Salaries shall be decreased by 10 per cent per annum, provided that such revised Basic Salary shall not be less than the Basic Salary for each Executive Director as at the start of the Service Agreement ("Minimum Basic Salary").

However, if the audited consolidated profit before tax and extraordinary items but after minority interests of the Company for a particular year (determined in accordance with the Singapore Statements of Accounting Standard) ("Actual Profit") achieved is less than $12,000,000 a year, the Basic Salary of each Executive Director shall be revised by the Remuneration Committee. In this instance, the revised Basic Salary may fall below the Minimum Basic Salary.

The Executive Directors are each entitled to an annual wage supplement of 1 month as well as a variable bonus to be determined as follows: -

(a) if the Actual Profit equals to or is greater than the Annual Target set by the Board for that year, each of the Executive Directors shall be entitled to a variable bonus equivalent to 12 months' Basic Salary;

(b) if the Actual Profit achieved by our Company for a particular year is less than the Annual Target set by the Board for that year but is greater than the mean of the Actual Profit of the preceding year and the Annual Target of that year in aggregate, each of the Executive Directors shall be entitled to a variable bonus equivalent to 8 months' Basic Salary; and

(c) if the Actual Profit achieved by our Company for a particular year is less than the Annual Target set by the Board for that year but greater than the Actual Profit of the preceding year, each of the Executive Directors shall be entitled to a variable bonus equivalent to 4 months' Basic Salary.

In addition, the Executive Directors are each entitled to certain benefits such as the provision of a company car and medical insurance benefits covering medical treatment and hospitalisation costs for the aforesaid persons and their immediate families. They are also entitled to participate in any share option scheme which the Company may implement from time to time. Mr Victor Tan Hor Peow is also entitled to be provided with memberships in any golf and country club as may be determined by our Company for the duration of his employment with our 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.

Accountability and Audit
Communication with Shareholders
Greater Shareholder Participation

The Company has adopted quarterly results reporting since its listing. The Company will hold media and analysts briefing of its half-year and full-year results, which together with its quarterly results will be published through the MASNET for the public 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 and will also be made available on the Company's website.

The Company investor relations team is supported by an external public relations firm which assists in all 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 AGM. The notice will also be posted on the website. At AGMs, shareholders will be given ample opportunity and time to air their views and ask directors or management questions regarding the Company.

The Articles allows members of the Company to appoint proxies to attend and vote on their behalf.

Best Practices Guide and Dealings in Securities

Notwithstanding that compliance with the SGX-ST's Best Practice 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 Best Practices Guide applicable to all its officers in relation to dealings in the Company's securities.

Its officers are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's quarterly results and ending on the date of the announcement of the results.

Directors' Attendance at Board and Board Committee Meetings

For the Year under review, there had been three Board of Directors Meetings which were attended by the full Board.

	Board of Directors Meeting		
	Date		
Director	1 February 2002	16 September 2002	16 October 2002
Henry Tan Hor Thye	Present	Present	Present
Victor Tan Hor Peow	Present	Present	Present
Yong Kin Kwong Edmund	Present	Present	Present
Yip Hwai Chong[(1)]	Present*	Present	Present
Ronnie Poh Tian Peng[(2)]	-	Present	Present
Liow Voon Kheong[(3)]	-	Present	Present
Chia Leok Yeen[(4)]	-	-	-
Dr Wang Kai Yuen[(5)]	-	Present	Present
Chia Mui Leng Alick[(6)]	-	Present	Present
Leow Poh Tat Philip[(7)]	-	Present	Present

(1) Mr Yip was appointed a Director on 31 July 2002.
(2) Mr Poh was appointed a Director on 31 July 2002.
(3) Mr Liow was appointed a Director on 30 April 2002.
(4) Ms Chia was appointed an alternate Director to Mr Liow on 30 April 2002.
(5) Dr Wang was appointed a Director on 31 July 2002.
(6) Mr Chia was appointed a Director on 31 July 2002.
(7) Mr Leow was appointed a Director on 31 July 2002.
* Present as the then Director of Corporate Services

The Remuneration Committee held one meeting on 16 October 2002, which was attended by all its three Members. No Audit Committee and Nominating Committee Meeting was held in the Year.

Interested Person Transactions Policy

The Company will be adopting an internal policy in respect of any transaction with interested persons which will set out the procedures for review and approval of such transactions.

All Interested Person Transactions will be documented and submitted periodically 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 Company. 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.

Liu Kamward
Company Secretary

CONTENTS

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, 2002.

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	(Appointed on July 31, 2002)
Liow Voon Kheong	(Appointed on April 30, 2002)
Chia Leok Yeen	(Appointed on April 30, 2002; alternate director to Liow Voon Kheong)
Ronnie Poh Tian Peng	(Appointed on July 31, 2002)
Dr Wang Kai Yuen	(Appointed on July 31, 2002)
Chia Mui Leng Alick	(Appointed on July 31, 2002)
Leow Poh Tat Philip	(Appointed on July 31, 2002)

2 PRINCIPAL ACTIVITIES

The principal activities of the company are provision of after-market services for mobile communication devices and investment holding. Provision of after-market services 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 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

3 ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

a) The following subsidiaries were acquired/incorporated during the current financial year:

Subsidiaries	Consideration	Group's share of net tangible assets acquired	Group's effective interest acquired
	$'000	$'000	%
P.T. Accord Customer Care Solutions	5,838	543	75
Accord Customer Care Solutions (SA) Pty Ltd	*	*	100
Accord Customer Care Solutions International Limited	+	+	100
Accord (Tianjin) Electronics Co., Ltd	240	240	51
Accord Customer Care Solutions Japan KK	148	148	100
MS1 Pty Ltd	*	*	100

* *Shares held by another subsidiary.*
\+ *Denotes amount less than $1,000.*

b) There were no disposal of subsidiaries during the financial year.

4 RESULTS FOR THE FINANCIAL YEAR

	Group	Company
	$'000	$'000
Profit after income tax	12,602	10,071
Minority interest	(81)	-
Profit attributable to shareholders	12,521	10,071

5 MATERIAL TRANSFERS TO/FROM RESERVES AND PROVISIONS

During the financial year, there were no material transfers to or from reserves and provisions other than those disclosed in the financial statements.

6 ISSUE OF SHARES AND DEBENTURES

a) During the financial year, the company issued 1,019,243 convertible redeemable preference shares ("CRPS") of $1 each at par in consideration for the purchase of shares in certain subsidiaries. The company subsequently redeemed 21,770 CRPS for a total consideration of $238,000 and cancelled 262,094 CRPS at par.

b) During the financial year, the company issued 262,094 CRPS of $1 each at par for cash for working capital purposes.

6 ISSUE OF SHARES AND DEBENTURES (cont'd)

c) During the financial year, the subsidiaries issued shares as follows:

i) Accord Customer Care (SA) Pty Ltd and MS1 Pty Ltd issued 2 ordinary shares of A$1 each at par for cash for incorporation purposes.

ii) Accord (Tianjin) Electronics Co., Ltd., was incorporated with a paid up capital of US$265,100.

iii) Accord Customer Care Solutions Japan KK issued 200 ordinary shares of Yen 50,000 each on incorporation.

iv) Accord CCS (Thailand) Co., Ltd. issued 38,500 preference shares of Baht 100 each at par for cash for working capital purposes.

d) During the financial year, the company and its subsidiaries did not issue any debentures.

7 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 except as disclosed in paragraph 18 of the directors' report.

8 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 were as follows:

Name of directors and companies in which interests are held	At beginning of year, or date of appointment, if later	At December 31, 2002	At January 21, 2003
Accord Express Holdings Pte Ltd			
- Ordinary shares of $1 each			
Henry Tan Hor Thye	7,606,500	7,454,370	7,454,370
Victor Tan Hor Peow	-	304,260	304,260
Ronnie Poh Tian Peng	6,189,202	6,189,202	6,189,202
Accord Customer Care Solutions Limited			
- Ordinary shares of $0.025 each *			
Henry Tan Hor Thye	-	-	151,934,320
Victor Tan Hor Peow	-	-	39,197,160
Yong Kin Kwong Edmund	-	-	5,341,640
Ronnie Poh Tian Peng	-	-	126,147,760
Yip Hwai Chong	-	-	7,583,440

8 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

Name of directors and companies in which interests are held	At beginning of year, or date of appointment, if later	At December 31, 2002	At January 21, 2003
Accord Customer Care Solutions Limited			
Share options			
Victor Tan Hor Peow	-	480,060	-
Yip Hwai Chong	-	79,877	-
Yong Kin Kwong Edmund	-	79,877	-

* *On January 15, 2003, the company sub-divided each ordinary share of $1.00 each into 40 ordinary shares of $0.025 each.*

By virtue of Section 7 of the Singapore Companies Act, Mr Henry Tan Hor Thye and Mr Poh Tian Peng are deemed to have an interest in the company and in all the related companies of the group.

9 DIVIDENDS

During the financial year, the company paid an interim dividend of $0.20 per ordinary share less tax at 22% amounting to $780,000.

The directors of the company do not recommend that a final dividend be paid.

10 DIRECTORS' ACTIONS RELATING TO BAD AND DOUBTFUL DEBTS

Before the profit and loss statement and the balance sheet were made out, the directors of the company took reasonable steps to ascertain that proper action had been taken in relation to the writing off and providing for bad and doubtful debts of the company and have satisfied themselves that all known bad debts, if any, of the company have been written off and that where necessary adequate provision has been made for doubtful debts.

At the date of this report, the directors of the company are not aware of any circumstances which would render any amounts written off or provided for as bad and doubtful debts for the group of companies in the consolidated financial statements of the company inadequate to any substantial extent.

11 DIRECTORS' ACTIONS RELATING TO CURRENT ASSETS

Before the profit and loss statement and the balance sheet were made out, the directors of the company took reasonable steps to ascertain that any current assets of the company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or were adequately provided for.

At the date of this report, the directors of the company are not aware of any circumstances which would render the value attributable to current assets in the consolidated financial statements misleading.

12 CHARGES ON ASSETS AND EXISTENCE OF CONTINGENT LIABILITIES AFTER YEAR END DATE

At the date of this report:

a) there does not exist any charge on the assets of the company or any corporation in the group which has arisen since the end of the financial year which secures the liability of any other person; and

b) there does not exist any contingent liability of the company or any corporation in the group which has arisen since the end of the financial year.

13 ABILITY TO MEET OBLIGATIONS

No contingent or other liability of the company or any corporation in the group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors of the company, will or may substantially affect the ability of the company and of the group to meet its obligations as and when they fall due.

14 OTHER CIRCUMSTANCES AFFECTING FINANCIAL STATEMENTS

At the date of this report, the directors of the company are not aware of any circumstances not otherwise dealt with in the report or consolidated financial statements which would render any amount stated in the financial statements of the company and the consolidated financial statements misleading.

15 UNUSUAL ITEMS

In the opinion of the directors of the company, the results of the operations of the company and of the group have not been substantially affected by any item, transaction or event of a material and unusual nature during the financial year.

16 UNUSUAL ITEMS AFTER YEAR END DATE

In the opinion of the directors of the company, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of the report which would affect substantially the results of the operations of the company and of the group for the financial year in which this report is made.

17 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 in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

18 OPTIONS TO TAKE UP UNISSUED SHARES

a) The ACCS Employee Stock Option Scheme 2002 (the "ESOS") was approved by the shareholders at the Extraordinary Meeting held on February 1, 2002. Under the ESOS, the share options 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 year from July 1, 2001 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, 2001 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 will expire upon the listing of the Company's shares on any stock exchange.

The number of share options granted and exercised during the financial year and share options outstanding as at December 31, 2002 pursuant to the ESOS were as follows:

Date of grant	Balance at date of grant and December 31, 2002	Subscription price	Expiry date
December 11, 2002	798,768	$6.26	Upon listing of company's shares

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

Name of director	Aggregate option granted during the year since commencement of the ESOS and outstanding at December 31, 2002	Percentage of total number of options outstanding at December 31, 2002
		%
Victor Tan Hor Peow	480,060	60
Yong Yin Kwong Edmund	79,877	10
Yip Hwai Chong	79,877	10
	639,814	

b) During the financial year, the company issued 997,473 convertible redeemable preferences shares of $1 each after netting off redemption and cancellation as disclosed in Note 20 to the financial statements.

c) During the financial year, there were no options granted to take up unissued shares in the subsidiaries.

19 OPTIONS EXERCISED

a) During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

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

20 UNISSUED SHARES UNDER OPTION

a) At the end of the financial year, the company has outstanding redeemable convertible bonds amounting to $19,000,000 as disclosed in Note 18 to the financial statements.

b) At the end of the financial year, the company has 997,473 outstanding convertible redeemable preference shares of $1 each at par as disclosed in Note 20 to the financial statements.

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

21 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

March 24, 2003

AUDITORS' REPORT

To The Members Of Accord Customer Care Solutions Limited

We have audited the financial statements of Accord Customer Care Solutions Limited and of the group for the financial year ended December 31, 2002 as set out on pages 30 to 64. 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 accompanying financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

   i) the state of affairs of the company and of the group as at December 31, 2002 and of the results, changes in equity of the company and of the group and cash flows of the group for the financial year then ended; and

   ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;

b) the accounting and other records and the registers required by the Act to be kept by the company and the subsidiary 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, being financial statements included in the consolidated financial statements. The names of these subsidiaries are indicated in Note 10 to the financial statements.

We are satisfied that the financial statements of the subsidiaries that are 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
March 24, 2003

BALANCE SHEETS

December 31, 2002

	Notes	Group		Company	
		2002 $'000	2001 $'000	2002 $'000	2001 $'000
ASSETS					
Cash	6	6,839	9,736	2,070	8,407
Trade receivables	7	20,788	12,429	17,976	12,870
Other receivables and prepayments	8	9,336	3,206	23,832	10,984
Inventories	9	9,621	4,786	6,295	1,658
Total current assets		46,584	30,157	50,173	33,919
Non-current assets:					
Investment in subsidiaries	10	-	-	13,147	7,202
Property, plant and equipment	11	14,139	8,829	6,493	3,851
Club memberships	12	87	87	87	87
Goodwill on consolidation	13	10,749	6,419	-	-
Total non-current assets		24,975	15,335	19,727	11,140
Total assets		71,559	45,492	69,900	45,059
LIABILITIES AND EQUITY					
Current liabilities:					
Bank overdrafts	14	57	-	57	-
Bank loans	14	4,740	-	4,740	-
Trade payables	15	8,180	4,460	17,744	11,987
Other payables	16	11,612	8,770	8,889	6,465
Income tax payable		3,838	1,674	1,487	223
Obligations under finance leases	17	37	33	-	-
Bonds payable	18	19,000	19,000	19,000	19,000
Preference shares	20	997	-	997	-
Total current liabilities		48,461	33,937	52,914	37,675
Non-current liabilities:					
Obligations under finance leases	17	182	260	-	-
Deferred income tax	19	574	430	712	401
Total non-current liabilities		756	690	712	401
Minority interest		262	-	-	-
Capital and reserves:					
Issued capital	20	5,000	5,000	5,000	5,000
Capital redemption reserve		22	-	22	-
Foreign currency translation reserve		(299)	227	-	-
Accumulated profits		17,357	5,638	11,252	1,983
Total equity		22,080	10,865	16,274	6,983
Total liabilities and equity		71,559	45,492	69,900	45,059

See accompanying notes to financial statements.

PROFIT AND LOSS STATEMENTS

Year Ended December 31, 2002

	Notes	Group		Company	
		2002 $'000	2001 $'000	2002 $'000	2001 $'000
Revenue	21	69,992	32,599	36,434	19,842
Spare parts consumed		(24,362)	(10,025)	(15,339)	(5,333)
Sub-contractor costs from subsidiaries		-	-	(2,551)	(5,124)
Other operating income	22	6,912	1,297	11,310	1,554
Staff costs	23	(20,675)	(8,215)	(9,736)	(3,825)
Depreciation expense		(1,887)	(717)	(629)	(183)
Other operating expenses		(12,562)	(6,418)	(5,292)	(3,480)
Profit from operations		17,418	8,521	14,197	3,451
Finance cost	24	(2,342)	(987)	(2,326)	(844)
Profit before income tax	25	15,076	7,534	11,871	2,607
Income tax expense	26	(2,474)	(1,896)	(1,800)	(624)
Profit after income tax		12,602	5,638	10,071	1,983
Minority interests		(81)	-	-	-
Net profit attributable to shareholders		12,521	5,638	10,071	1,983
Earnings per share (cents)	27	2.31	1.04		

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2002

	Issued capital (ordinary shares)	Capital redemption reserve	Foreign currency translation reserve	Accumulated profits	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Balance at October 21, 2000 (date of incorporation)	-	-	-	-	-
Issue of ordinary shares	5,000	-	-	-	5,000
Net profit for the year	-	-	-	5,638	5,638
Foreign currency translation	-	-	227	-	227
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
Company					
Balance at October 21, 2000 (date of incorporation)	-	-	-	-	-
Issue of ordinary shares	5,000	-	-	-	5,000
Net profit for the year	-	-	-	1,983	1,983
Balance at December 31, 2001	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

See accompanying notes to financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year Ended December 31, 2002

	2002 $'000	2001 $'000
Cash flows from operating activities:		
Profit before income tax	15,076	7,534
Adjustments for:		
Depreciation expense	1,887	717
Interest expense	2,342	987
Loss on disposal of property, plant and equipment	74	11
Amortisation of goodwill	523	257
Operating profit before working capital changes	19,902	9,506
Trade receivables	(8,190)	(9,508)
Other receivables and prepayments	(5,926)	(1,917)
Inventories	(4,621)	(4,089)
Club memberships	-	(87)
Trade payables	3,719	1,935
Other payables	489	6,672
Cash generated from operations	5,373	2,512
Income tax paid	(329)	-
Interest paid	(2,342)	(987)
Net cash from operating activities	2,702	1,525
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	817	-
Purchase of property, plant and equipment	(8,046)	(8,045)
Acquisition of subsidiary (Note A)	(1,878)	(3,273)
Net cash used in investing activities	(9,107)	(11,318)
Cash flows from financing activities:		
Proceeds from issuing shares (Note B)	-	-
Proceeds from issuing bonds	-	19,000
Proceeds from short-term bank loan	4,740	-
Payment of dividends	(780)	-
(Decrease) Increase in finance leases	(74)	293
Net cash from financing activities	3,886	19,293
Net effect of exchange rate changes in consolidating subsidiaries	(435)	236
Net (decrease) increase in cash	(2,954)	9,736
Balance at beginning of year	9,736	-
Cash at end of financial year (Note C)	6,782	9,736

See accompanying notes to financial statements.

Notes to the consolidated cash flow statements

A. Summary of the effects of acquisition of subsidiaries:

	2002 $'000	2001 $'000
Cash	186	492
Other current assets	586	4,755
Current liabilities	(182)	(5,241)
Net current assets	590	6
Non-current assets	133	1,520
Goodwill on acquisition of subsidiaries	5,295	6,676
Minority interests share in net assets	(181)	-
Purchase consideration discharged by cash	5,837	8,202
Less:		
Purchase consideration to be satisfied by issue of convertible redeemable preference shares	-	(1,019)
Purchase consideration paid by the holding company on behalf	-	(3,418)
Deferred consideration [Note 16(b)]	(3,773)	-
Less: Cash of acquired subsidiaries	(186)	(492)
Net cash outflow on acquisition of subsidiaries	1,878	3,273

B. During the previous financial year, the company issued 2 ordinary shares at par for cash to the subscribers to the memorandum of association and an additional 4,999,998 ordinary shares of $1 each at par by way of capitalisation of loan payable to the holding company.

C. Cash at end of financial year included in the consolidated cash flow statement comprise the following balance sheet amounts:

	2002 $'000	2001 $'000
Cash	6,839	9,736
Bank overdrafts	(57)	-
	6,782	9,736

See accompanying notes to financial statements.

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 for mobile communication devices and investment holding. Provision of after-market services 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 10 to the financial statements.

The financial statements of the company and of the group for the financial year ended December 31, 2002 were authorised for issue by the Board of Directors on March 24, 2003.

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 Statements of Accounting Standard (SAS).

The company has adopted all the applicable new/revised SAS which became effective during the year. The adoption of the new/revised SAS does not affect the results of 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 the end of the financial 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.

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 disposal. All significant intercompany balances and transactions are eliminated on consolidation.

c) GOODWILL - Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired subsidiaries at the date of acquisition. Goodwill on consolidation is recorded as an asset and amortised over a period of 20 years.

Negative goodwill represents the excess of fair value of the group's share of the net assets acquired over the cost of acquisition. Negative goodwill is presented as the same balance sheet classification as goodwill. To the extent that negative goodwill relates to expectations of future losses and expenses that can be reliably measured, but do not represent identifiable liabilities, the portion of negative goodwill is recognised in the profit and loss statement when the future losses and expenses are incurred. Any remaining negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the profit and loss statement over the remaining weighted average useful lives of those assets. Negative goodwill in excess of the fair value of those assets is recognised in the profit and loss statement immediately.

d) INVESTMENTS IN SUBSIDIARIES - Investments in subsidiaries in the financial statements of the company are stated at cost less any impairment in net recoverable value.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) 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.

f) REVENUE RECOGNITION - Revenue from rendering of after-market services, 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.

g) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - Transactions in foreign currencies are recorded in Singapore dollars at the rate ruling at the dates of the transactions. At each balance sheet date, recorded balances and balances that are denominated in foreign currencies are recorded 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 group financial statements, the profit and loss statements of foreign subsidiaries have been translated at average exchange rates for the year. All assets and liabilities of foreign subsidiaries are translated at the exchange rates ruling at the year-end. Exchange differences arising from translation are taken direct to shareholders' equity.

h) 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 basis 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) PROPERTY, PLANT AND EQUIPMENT - Property, 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.

j) 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.

k) CLUB MEMBERSHIPS - Club memberships are stated at cost, less any impairment in net recoverable value.

l) 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.

m) 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.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) 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.

p) 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.

q) 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, convertible bonds payable, convertible redeemable preference shares and trade and other payables.

The accounting policies adopted for finance lease obligations, convertible bond payable and convertible redeemable preference shares are described above.

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.

r) FINANCIAL ASSETS - The group's principal financial assets are cash and bank, 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 above.

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

3 FINANCIAL RISK 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, 2002, 5 major customers account for 24% 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 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

As at December 31, 2002, the company was a subsidiary of Accord Express Holdings Pte Ltd, incorporated in Singapore, which is also the company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Subsequent to December 31, 2002, 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.

4 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (cont'd)

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

Significant intercompany transactions:

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Holding company				
Purchase of property, plant and equipment	21	2,045	21	2,045
Purchase of property, plant and equipment on behalf of the company	531	-	531	-
Rental expense on premises	673	548	673	548
Purchase of shares in subsidiaries	-	474	-	474
Purchase of shares in subsidiaries on behalf of the company	-	797	-	797
Interest expense recharged	-	274	-	274
Sundry expense recharged	-	180	-	180
Depreciation expense recharged	9	-	9	-
Rental expense on property, plant and equipment	-	160	-	160
Warehouse management and logistics expenses	830	-	830	-
Rebates on warehouse management and logistics expenses	(830)	-	(830)	-
Management fee expense	-	32	-	32
Purchases paid on behalf of the company	3,415	10,193	3,415	10,193
Expenses paid on behalf of the company	23	-	23	-
Revenue billed on behalf of the company	-	(13,755)	-	(13,755)
Payments on behalf of the company	(3)	-	(3)	-
Payments on behalf by the company	98	-	98	-
Recovery of staff cost	-	(300)	-	(300)
Related companies				
Sale of property, plant and equipment	81	-	81	-
Purchase of shares in subsidiaries by issue of convertible redeemable preference shares	-	407	-	407
Management fee income	-	(128)	-	(128)
Expenses paid on behalf of the company	33	-	33	-
Payment on behalf of the company	9	-	8	-
Freight expense	31	-	31	-
Other expenses	150	184	150	184

4 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (cont'd)

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Subsidiaries				
Provision of after-market services	-	-	(2,863)	-
Sale of property, plant and equipment	-	-	(2)	-
Handling fee income	-	-	-	(1,760)
Management fee income	-	-	(4,982)	(451)
Other expenses	-	-	(3)	-
Sub-contractor costs	-	-	2,551	5,124
Spare parts costs	-	-	4,042	1,859
Purchase of property, plant and equipment	-	-	2	-
Purchase of property, plant and equipment on behalf by the company	-	-	866	-
Purchase of property, plant and equipment on behalf of the company	-	-	51	-
Purchases paid on behalf by the company	-	-	4,234	-
Purchases paid on behalf of the company	-	-	1,060	-
Expenses paid on behalf by the company	-	-	1,315	-
Expenses paid on behalf of the company	-	-	1,252	-
Payments on behalf of the company	-	-	579	-
Payments on behalf by the company	-	-	1,079	-
Receipt of monies on behalf of the company	-	-	(2)	-
Receipt of monies on behalf by the company	-	-	1,229	-
Revenue billed on behalf of the company	-	-	(239)	-
Revenue billed on behalf by the company	-	-	28	-

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	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Recovery of set-up costs from former shareholders of subsidiaries	-	(1,128)	-	(628)
Purchase of shares in subsidiaries:				
By holding company paying on behalf	-	3,419	-	3,419
By issue of convertible redeemable preference shares	-	613	-	613
Reimbursement of expenses by a minority shareholder of a subsidiary	(109)	-	(109)	-

6 CASH

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Cash and bank balances	5,832	2,648	1,063	1,319
Fixed deposits	1,007	7,088	1,007	7,088
	6,839	9,736	2,070	8,407

Cash and bank balances and fixed deposits are pledged in connection with credit facilities granted by a certain bank (Note 14).

7 TRADE RECEIVABLES

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Outside parties	20,831	12,192	10,588	6,708
Holding company (Note 4)	-	398	-	387
Subsidiaries (Note 10)	-	-	7,388	5,936
	20,831	12,590	17,976	13,031
Less allowances for doubtful receivables	(43)	(161)	-	(161)
	20,788	12,429	17,976	12,870
Movement in allowances:				
At beginning of year	161	-	161	-
Charge to profit and loss	43	161	-	161
Reversal to profit and loss	(161)	-	(161)	-
At end of year	43	161	-	161

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Deposits	1,947	544	210	195
Listing expenses	1,039	-	1,039	-
Grant receivable	140	-	140	-
Prepayments	512	198	110	21
Recoverables	178	404	62	175
Advance for investments	124	-	124	-
Management and corporate advisory fee receivable	1,047	-	524	-
Staff advances	10	5	10	3
Others	291	357	245	153
	5,288	1,508	2,464	547
Holding company (Note 4)	432	-	432	-
Related company (Note 4)	90	-	90	-
Subsidiaries (Note 10)	-	-	17,909	9,239
Due from shareholders of holding company [Note 18 (e)]	2,850	570	2,850	570
Due from minority shareholders of subsidiaries	676	-	87	-
Former shareholders of subsidiaries (Note 5)	-	1,128	-	628
	9,336	3,206	23,832	10,984

9 INVENTORIES

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Spare parts, accessories and consumables, carried at net realisable value after the following allowances	9,621	4,786	6,295	1,658
Movement in allowances:				
At beginning of year	83	-	-	-
Charge to profit and loss	19	83	-	-
Used during the year	(59)	-	-	-
At end of year	43	83	-	-

10 INVESTMENT IN SUBSIDIARIES

	Company	
	2002 $'000	2001 $'000
Unquoted equity shares, at cost	13,147	7,202

a) During the financial year, the company acquired the investment in subsidiaries as follows:

	Company	
	2002 $'000	2001 $'000
Acquired through direct investment in share capital of subsidiaries for cash	549	301
Deferred purchase consideration [(Note 16(b)]:		
Paid during the year	2,065	-
Deferred	3,773	-
Acquired from holding company (Note 4)	-	474
Acquired from holding company for payment made by the holding company on behalf	-	796
Acquired from other shareholders for cash	-	877
Acquired from other shareholders for payment made by the holding company on behalf	-	3,418
Acquired from other shareholders in exchange for convertible redeemable preference shares to be issued (Note 16)	-	612
Acquired from related companies in exchange for convertible redeemable preference shares to be issued (Note 16)	-	407
Other costs of acquisition	-	317
	6,387	7,202
Less: waiver of payables by former shareholders of subsidiaries [Note 10(c)]	(442)	-
	5,945	7,202

10 INVESTMENT IN SUBSIDIARIES (cont'd)

b) The principal activities of the subsidiaries are the provision of after-market services for communication devices. Details of the subsidiaries are as follows:

Subsidiaries	Cost of investment		Effective equity interest		Country of incorporation/ operations
	2002 $'000	2001 $'000	2002 %	2001 %	
Accord CCS (Thailand) Co., Ltd (1a)	750 (c)	826	100 (ii)	100 (ii)	Thailand
Accord CCS Pte Ltd (2)	600	600	100	100	Singapore
Accord Customer Care Solution (H.K.) Ltd (1b)	66	66	100	100	Hong Kong
Accord Customer Care Solutions (M) Sdn. Bhd. (1c)	340 (c)	350	100 (i)	100 (i)	Malaysia
Accord Customer Care Solution (Taiwan) Corp (1d)	2,965	2,965	100	100	Taiwan
Accord Customer Care Solutions Philippines, Inc. (1e)	125 (c)	209	100	100	Philippines
Accord Customer Care Solutions (Korea) Co., Ltd (1f)	248 (c)	298	100	100	South Korea
Accord Customer Care Solutions (NZ) Ltd (1g)	455	455	100	100	New Zealand
Accord Customer Care Solutions (Suzhou) Co., Ltd (1h)	625 (c)	686	100	100	People's Republic of China
Australian Digital Mobile Services Pty Ltd (5)	(e)	(e)	100	100	Australia
Accord Customer Care Solutions Pty Ltd (1i)	549	549	100	100	Australia
PT. Accordexpress Customer Care Solutions (1j)	198	198	100	100	Indonesia

10 INVESTMENT IN SUBSIDIARIES (cont'd)

Subsidiaries	Cost of investment		Effective equity interest		Country of incorporation/ operations
	2002 $'000	2001 $'000	2002 %	2001 %	
P.T. Accord Customer Care Solutions (formerly known as P.T. Indosel Prima Jaya) (1j)	5,838 (b)	-	75	-	Indonesia
Accord Customer Care Solutions (Aust) Pty Ltd (1i)	(d)	(d)	100 (iii)	100 (iii)	Australia
Accord Customer Care Solutions (NSW) Pty Ltd (1i)	(a)	(a)	100	100	Australia
Accord Customer Care Solutions (SA) Pty Ltd (1i)	(a)	-	100	-	Australia
Accord Customer Care Solutions (VIC) Pty Ltd (1i)	(a)	(a)	100	100	Australia
Accord Customer Care Solutions (W.A.) Pty Ltd (1i)	(a)	(a)	100	100	Australia
Accord Customer Care Solutions (QLD) Pty Ltd (5)	(a)	(a)	100	100	Australia
Accord Direct Pty Ltd (1i)	(d)	(d)	100	100	Australia
Accord Customer Care Solutions International Limited (formerly known as Windfall Consultants Limited) (3)	(d)	(d)	100	-	British Virgin Islands
Accord (Tianjin) Electronics Co., Ltd (4)	240	-	51	-	People's Republic of China
Accord Customer Care Solutions Japan KK (4)	148	-	100	-	Japan
MS1 Pty Ltd (1i)	(a)	-	100	-	Australia
	13,147	7,202			

10 INVESTMENT IN SUBSIDIARIES (cont'd)

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 Jaiyos Co., Ltd, Thailand

b) Deloitte Touche Tohmatsu, Hong Kong.

c) Deloitte & Touche, Malaysia

d) TN Soong & Co., Taiwan

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

f) Deloitte Touche Hana, South Korea

g) Deloitte Touche Tohmatsu, New Zealand

h) Deloitte Touche Tohmatsu Certified Public Accountants Ltd, Shanghai, PRC

i) Deloitte Touche Tohmatsu, Australia

j) Hans Tuanakotta & Mustofa, Indonesia

(2) Audited by Deloitte & Touche, Singapore.

(3) Not required to be audited by law in its country of incorporation.

(4) Management accounts were used for consolidation as the subsidiaries were incorporated just before the end of the financial year.

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

Notes on cost:

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

(b) This is the actual purchase consideration for the 75% equity interest in the subsidiary based on certain times of the audited profit before tax of the subsidiary for the financial year ended December 31, 2002.

The minority shareholders of this subsidiary has a put option to require the company to purchase the remaining 25% minority interest at a fair market value as determined by an independent auditor to be appointed subject to mutual agreement. The option exercise period will commence after an additional investment by the company subject to certain conditions.

In addition, the company has a put option to sell the entire 75% interest in the subsidiary to the original shareholders of the subsidiary. The company also has a call option to buy the remaining 25% equity interest from the minority shareholders. The exercise price under the options will be based on certain times of the audited profit before tax of the subsidiary for the financial year ended December 31, 2002. The option exercise period for the put and call options is one month, commencing from the date of receipt by the company of the subsidiary's audited accounts for the year ended December 31, 2002.

10 INVESTMENT IN SUBSIDIARIES (cont'd)

Notes on cost:

(c) In 2002, the cost of investment in certain subsidiaries is offset by the waiver of other payables to former shareholders of subsidiaries amounting to $442,000 [Note 16(a)] accrued as at December 31, 2001. This resulted in a corresponding decrease of $442,000 in goodwill on consolidation (Note 13).

As at December 31, 2002, the cost of investment in Accord CCS (Thailand) Co., Ltd includes $161,000 cost of investment in unquoted preference shares.

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

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

Notes on effective equity interest:

(i) As at December 31, 2001 the company is the registered owner of 25% equity interest in Accord Customer Care Solution (M) Sdn. Bhd. and the remaining 75% is being held by a third party on behalf of the company since the date of the acquisition of the shares. Therefore, the directors of the company are of the view that this subsidiary should be consolidated as a wholly-owned subsidiary in the consolidated financial statements as the company has full control over the subsidiary and the company has 100% beneficial interest in the subsidiary since the date of the acquisition of the shares. Subsequent to the end of the financial year, the remaining 75% equity interest was transferred to and registered in the name of the company.

(ii) As at December 31, 2002, the company is the registered owner of 49% equity interest in Accord CCS (Thailand) Co. Ltd and the remaining 51% were being held by third parties on behalf of the company since the date of the acquisition of the shares. In September 2002, the subsidiary issued 38,500 preference shares of Baht 100 each to the company such that the company has 99% voting rights and 99.9% share of the subsidiary's profits. Therefore, the directors of the company are of the view that this subsidiary should be consolidated as a wholly-owned subsidiary in the consolidated financial statements as the company has full control over the subsidiary and the company has 100% beneficial interest in the subsidiary since the date of the acquisition of the shares.

(iii) In November 2001, the company granted a call option to a director of this subsidiary to purchase from the company up to 40% of the equity interest in this subsidiary. The purchase consideration is equivalent to the original cost of purchase of the investment in this subsidiary. The option expired on December 31, 2002 and was not exercised.

11 PROPERTY, 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	825	5,990	295	2,997	10,107
Exchange adjustment	-	(75)	(5)	(45)	(125)
Acquisition of subsidiaries	-	189	-	31	220
Additions	1,950	2,828	606	2,662	8,046
Disposals	(658)	(211)	(243)	(19)	(1,131)
At end of year	2,117	8,721	653	5,626	17,117
Accumulated depreciation:					
At beginning of year	46	728	19	485	1,278
Exchange adjustment	-	(18)	-	(16)	(34)
Acquisition of subsidiaries	-	69	-	18	87
Depreciation	214	1,130	53	490	1,887
Disposals	(23)	(159)	(17)	(41)	(240)
At end of year	237	1,750	55	936	2,978
Depreciation for last year	46	372	22	277	717
Net book value:					
At beginning of year	779	5,262	276	2,512	8,829
At end of year	1,880	6,971	598	4,690	14,139

Plant and equipment with cost of $406,000 (2001 : $302,000) are under finance lease (Note 17).

11 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	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	825	1,659	264	1,286	4,034
Additions	1,810	360	471	1,289	3,930
Disposals	(439)	-	(243)	(17)	(699)
At end of year	2,196	2,019	492	2,558	7,265
Accumulated depreciation:					
At beginning of year	46	64	15	58	183
Depreciation	232	178	32	187	629
Disposals	(22)	-	(17)	(1)	(40)
At end of year	256	242	30	244	772
Depreciation for last year	46	64	15	58	183
Net book value:					
At beginning of year	779	1,595	249	1,228	3,851
At end of year	1,940	1,777	462	2,314	6,493

As at the end of the financial year, computer system includes $1,330,000 (2001 : $445,000) for the company and the group which relates to computer software and system under development which will be depreciated when the computer system is fully developed and ready for use.

12 CLUB MEMBERSHIPS

Club memberships are stated at cost.

13 GOODWILL ON CONSOLIDATION

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Cost:				
At beginning of year	6,676	-	-	-
Arising on acquisition of subsidiaries	5,295	6,676	-	-
Adjustment to cost [Note 10(c)]	(442)	-	-	-
At end of year	11,529	6,676	-	-
Accumulated amortisation:				
At beginning of year	(257)	-	-	-
Amortisation for the year	(523)	(257)	-	-
At end of year	(780)	(257)	-	-
Net book value:				
At end of year	10,749	6,419	-	-
At beginning of year	6,419	-	-	-

In 2002, the cost of investment in certain subsidiaries is offset by the waiver of other payables to former shareholders of subsidiaries amounting to $442,000 [Note 16(a)]. This resulted in a corresponding decrease of $442,000 in goodwill on consolidation.

14 BANK LOANS

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Bank loans	4,740	-	4,740	-

In 2002, the bank overdrafts and bank loans amounting to $3,557,000 of the company are secured by fixed deposits of $1,000,000 of the company, guarantee of $5,500,000 from its holding company, certain inventories and receivables. The remaining loans amounting to $1,240,000 are secured by letters of guarantee of certain directors and corporate guarantee from its holding company. Interest is charged from 1.76% to 2.68% per annum.

15 TRADE PAYABLES

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Outside parties	6,913	4,392	4,121	2,311
Holding company (Note 4)	1,188	1	1,188	199
Subsidiaries (Note 10)	-	-	12,356	9,447
Related companies (Note 4)	79	67	79	30
	8,180	4,460	17,744	11,987

16 OTHER PAYABLES

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Former shareholders of subsidiaries [Note 16(a)]	-	1,461	-	1,461
Deferred purchase consideration on acquisition of a subsidiary [Note 16(b)]	3,773	-	3,773	-
Purchase of plant and equipment	-	219	-	219
Due to minority shareholders	82	-	-	-
Accrued expenses	4,907	2,892	2,266	766
Accrued interest on bonds payable	2,850	570	2,850	570
Holding company (Note 4)	-	3,628	-	3,449
	11,612	8,770	8,889	6,465

(a) In 2001, amount payable to the former shareholders of subsidiaries included $1,019,000 which arose from the company's purchase of shares in certain subsidiaries in the previous financial year (Note 10). In 2002, the $1,019,000 consideration payable was satisfied by the issuance of convertible redeemable preference shares (Note 20) and the remaining amount of $442,000 was waived by the former shareholders of the subsidiaries [Note 10(c)].

(b) In 2002, this represents the actual balance payable to the vendors for the purchase of equity interest in a subsidiary, PT 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.

17 OBLIGATIONS UNDER FINANCE LEASES

	Group			
	2002		2001	
	Minimum lease payment	Present value of minimum lease payments	Minimum lease payment	Present value of minimum lease payments
	$'000	$'000	$'000	$'000
Amounts payable under finance leases:				
Within one period	41	37	33	33
In the second to fifth periods inclusive	205	182	296	260
	246	219	329	293
Less: Future finance charges	(27)	N/A	(36)	N/A
Present value of lease obligations	219	219	293	293
Less: Amount due for settlement within 12 months shown under current liabilities		(37)		(33)
Amount due for settlement after 12 months		182		260

The average effective borrowing rate was 3% (2001 : 3%) per annum.

18 BONDS PAYABLE

	Group and Company	
	2002 $'000	2001 $'000
Redeemable Convertible Bonds	19,000	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 are unsecured and bear interest at 12% per annum compounded annually from the issue date of the bonds to the redemption date. The Bonds are redeemable at the option of the Bondholders at any time on or after June 30, 2002, except that the Bondholders may redeem the Bonds immediately under certain circumstances as described in the Agreement.

18 BONDS PAYABLE (cont'd)

b) The Bonds are convertible into new fully paid ordinary shares of $1.00 each in the capital of the company ("Conversion Shares") at any time commencing from the dates set out below:

i) the issue of the audited consolidated financial statements of the company, its subsidiaries and associated companies for the financial year from July 1, 2001 to June 30, 2002 which have been audited in accordance with the scope of audit agreed to by the Bondholders and the company, as reflected in the Agreement; or

ii) the listing of the shares of the company or its holding company on any stock exchange; or

iii) any merger, sale, acquisition, consolidation or re-organisation of the company or its holding company which would result in the shareholders of the company or its holding company (as the case may be) holding less than 50% of the issued share capital of the company or the holding company; or

iv) sale by any shareholder of the holding company of all or part of his equity interest in the holding company to any third party; or

v) sale by the Bondholders and all the shareholders of the holding company of all their equity interest in the holding company to any third party in a single transaction or a series of related transactions.

The conversion ratio is 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 have been audited in accordance with the scope of audit agreed to by the Bondholders, and the Company, as reflected in the Agreement.

c) In addition, the Bonds and/or the Conversion Shares may be converted into new ordinary shares of the holding company under the circumstances specified in (b) (ii), (iii), (iv) and (v) above ("Swap Shares").

The swap ratio is based on the effective equity interest of the Bondholders in the company multiplied by the ratio of the consolidated profit before income tax of the company and its holding company, subject to a minimum of 15% of issued share capital of the holding company prior to the listing of the holding company on a stock exchange.

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

e) During the current financial year, the company, its holding company and certain shareholders of the holding company and the Bondholders entered into a supplemental deed. Under the supplemental deed, certain shareholders of the holding company (one of whom is a director of the company) will assume 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 are guaranteed by the holding company. Accordingly, the company has recorded an other receivable from shareholders of holding company (Note 8) of $2,850,000 (2001 : $570,000) as at the end of the financial year and a reimbursement of interest expense (Note 22) amounting to $2,280,000 (2001 : $570,000) for the current financial year.

f) Subsequent to the financial year end, as disclosed in Note 31(b)(iv) to the financial statements, the Bonds were converted into ordinary shares of the company.

19 DEFERRED INCOME TAX

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
At beginning of year	430	-	401	-
Arising during the year	144	430	311	401
At end of year	574	430	712	401

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

20 ISSUED CAPITAL

	Group and Company	
	2002 $'000	2001 $'000
Authorised:		
8,000,000 ordinary shares of $1 each	8,000	8,000
2,000,000 convertible redeemable preference shares of $1 each	2,000	2,000
	10,000	10,000
Issued and fully paid:		
5,000,000 ordinary shares of $1 each	5,000	5,000
997,473 convertible redeemable preference shares of $1 each	997	-
	5,997	5,000
Shown under:		
Equity - ordinary shares	5,000	5,000
Current liabilities - convertible redeemable preference shares	997	-
	5,997	5,000

20 ISSUED CAPITAL (cont'd)

a) At the end of the financial year, there are $19,000,000 redeemable convertible bonds as described in Note 18 to the financial statement.

b) During the current financial year, the company issued 1,019,243 convertible redeemable preference shares ("CRPS") of $1 each at par in consideration for the purchase of shares in certain subsidiaries from the former shareholders of these subsidiaries (Note 10).

The company subsequently redeemed 21,770 CRPS for a total consideration of $238,000 and cancelled 262,094 CRPS at par for cash.

Thereafter, the company issued 262,094 CRPS of $1 each at par for cash for working capital purposes.

c) The details of the CRPS are as follows:

i) The CRPS holders may convert the CRPS into ordinary shares of $1.00 each in the company in the event of listing of the company on a recognised stock exchange.

ii) The conversion ratio is computed based on the audited net tangible assets of the respective subsidiaries (whose shares have been purchased by the company from the respective minority shareholders), as adjusted by an agreed premium factor and based on 6 times the consolidated profit before income tax of the company and its subsidiaries.

iii) The company is entitled (but not obliged) to redeem any CRPS not converted. The redemption price is computed based on the net tangible assets of the respective subsidiaries (whose shares have been purchased by the company from the respective minority shareholders) as shown in their latest management accounts.

iv) Each CRPS shareholder shall have the right (but not the obligation) to require the company to redeem all (and not part thereof only) of the CRPS held based on formula described in the preceding paragraph. There shall be no redemption of the CRPS 3 months before the listing of the company or December 31, 2004 (whichever is earlier).

v) In the event that the company is not listed on a recognised stock exchange by 2005, the holders of the CRPS shall be entitled to a fixed non-cumulative dividend of 8% per annum commencing from January 1, 2006 or after the listing of the company, whichever is earlier. Except as described above, the holders of the CRPS shall not be entitled to any dividends.

21 REVENUE

This represents revenue from provision of after-market services including refurbishment services, inventory management fee, retrofit services and repair management services, sales of parts and accessories and service fee charged to certain subsidiaries. Sales for the group are net of intercompany sales.

22 OTHER OPERATING INCOME

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Management and corporate advisory fee	1,286	-	745	-
Software licensing fee	500	-	500	-
Commission income	530	-	530	-
Recovery of staff cost from holding company (Note 4)	-	300	-	300
Foreign currency exchange adjustment gain - net	597	-	554	54
Reimbursement of expenses by a minority shareholder of a subsidiary	109	-	109	-
Interest income from non-related companies	34	15	34	15
Imputed cost of free inventories now sold	765	-	765	-
Others	811	412	811	164
	4,632	727	4,048	533
Management fee income from subsidiaries (Note 4)	-	-	4,982	451
Reimbursement of interest expense [Note 18 (e)]	2,280	570	2,280	570
	6,912	1,297	11,310	1,554

23 STAFF COSTS

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Costs of defined contribution plans included in staff costs ($'000)	1,374	508	1,303	338
Number of employees at end of the financial year	805	569	243	210

24 FINANCE COST

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Interest expense to non-related companies	16	143	-	-
Interest on bonds	2,280	570	2,280	570
Interest recharged by holding company (Note 4)	-	274	-	274
Interest on bank loans	46	-	46	-
	2,342	987	2,326	844

25 PROFIT BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the profit and loss statement, this item includes the following charges (credit):

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Amortisation of goodwill on consolidation	523	257	-	-
Directors' remuneration:				
Directors of the company	2,089	285	2,089	276
Directors of subsidiaries	102	109	-	-
Auditors' remuneration:				
Auditors of the company				
Current year	60	50	60	50
Underprovision in prior year	10	-	10	-
Other auditors	301	68	-	-
Non-audit fees to the auditors of the company	49	-	49	-
Depreciation expense	1,887	717	629	183
Allowances for doubtful trade receivables	43	161	-	161
Reversal for doubtful trade receivables	(161)	-	(161)	-
Allowances for inventories	19	83	-	-
Loss on disposal of property, plant and equipment	74	11	68	-
Loss on redemption of preference shares	216	-	216	-
Preliminary expenses written-off	184	40	-	-
Foreign currency exchange adjustment (gain) loss - net	(597)	87	(554)	(54)
Minimum lease payments paid under operating leases	3,553	1,701	1,797	1,050

Number of directors of the company in remuneration bands:

	2002			2001		
	Executive directors	Non-executive directors	Total	Executive directors	Non-executive directors	Total
$500,000 and above	1	-	1	-	-	-
$250,000 to $499,999	-	-	-	1	-	1
Below $250,000	2	6	8	1	1	2
	3	6	9	2	1	3

26 INCOME TAX EXPENSE

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Current tax	2,330	1,466	1,489	223
Deferred tax	144	430	311	401
Total	2,474	1,896	1,800	624

During the financial year, 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 vary from the amount of income tax expense determined by applying the Singapore tax rate of 22% (2001 : 24.5%) to profit before income tax as a result of the following:

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Tax expense at the statutory rate	3,317	1,846	2,612	638
Non deductible items	172	62	169	11
Taxing savings on qualifying income	(591)	-	(591)	-
Others	(424)	(12)	(390)	(25)
Net	2,474	1,896	1,800	624

27 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share is calculated on the group profit after income tax and minority interests of $12,521,000 (2001: $5,638,000) divided by the pre-invitation share capital of 543,162,320 ordinary shares of $0.025 each.

The pre-invitation share capital of 543,162,320 ordinary shares of $0.025 each is based on the 5,000,000 ordinary shares of $1 each in issue as at December 31, 2002 and the issue of 798,768, 823,019, 1,365,894 and 5,591,377 ordinary shares of $1 each issued subsequent to December 31, 2002 as described in Note 31 (b)(ii) to 31 (b)(v) of the financial statements, and as adjusted for the sub-division of one ordinary share of $1.00 each into 40 ordinary shares of $0.025 each.

28 OPERATING LEASE COMMITMENTS

At the balance sheet date, the commitments in respect of operating leases with a term of more than one year were as follows:

	Group		Company	
	2002 $'000	2001 $'000	2002 $'000	2001 $'000
Within one year	3,687	1,983	2,060	791
In the second to fifth years inclusive	4,945	2,273	1,789	819
After five years	-	95	-	-

29 CONTINGENT LIABILITIES (UNSECURED)

The company has provided guarantees to the suppliers of certain subsidiaries to guarantee the performance of these subsidiaries under their respective supply agreements.

30 SEGMENT INFORMATION

The segmental information for geographical regions is based on the locations 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 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.

30 SEGMENT INFORMATION (cont'd)

By Geographical Operations

	South Asia	North Asia	South Pacific	Consolidated
	$'000	$'000	$'000	$'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	51,422	10,323	11,026	72,771
LIABILITIES				
Segment liabilities	15,261	2,008	2,523	19,792
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				50,429
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

30 SEGMENT INFORMATION (cont'd)

	South Asia	North Asia	South Pacific	Consolidated
	$'000	$'000	$'000	$'000
December 31, 2001				
REVENUE				
External sales	14,749	12,947	4,903	32,599
RESULTS				
Segment result	4,119	4,094	308	8,521
Finance costs				(987)
Profit before income tax				7,534
Income tax				(1,896)
Profit before minority interest				5,638
ASSETS				
Segment assets	29,049	7,992	8,451	45,492
LIABILITIES				
Segment liabilities	7,338	1,653	4,087	13,078
Bonds payable				19,000
Income tax payable				1,674
Unallocated corporate liabilities				875
Consolidated total liabilities				34,627
OTHER INFORMATION				
Amortisation of goodwill	44	145	68	257
Capital expenditure	5,156	1,326	1,563	8,045
Depreciation	376	214	127	717
Other non-cash expenses	-	-	-	11

By Business Segment

The group has not provided a segmentation of its revenue and net profit before income tax according to the various sub-categories of after-marketing service ("AMS") provided, such as customer relationship management, repair management, technical services management, administrative management and other value-added services. The group provides an integrated suite of AMS to its partners and the group is remunerated by its partners on that basis. The price which the group offers to each of its partners is for the provision of a whole package of AMS based on their specific AMS requirements. Therefore, the directors are of the view that a segmentation of the group's revenue and profit derived from the different components of AMS will not be meaningful.

31 SUBSEQUENT EVENTS

a) In January 2003, the company incorporated a subsidiary, Accord Customer Care Solutions FZCO, in Dubai, with an issued share capital of Dhs 500,000.

b) At the extraordinary general meeting held on January 13, 2003, the shareholders of the company approved *inter-alia*, the following:

   i) 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;

   ii) the allotment and issue of 798,768 ordinary shares of $1.00 each at $6.26 per ordinary share for cash pursuant to the pre-Invitation Employee Share Option Scheme;

   iii) the allotment and issue of 823,019 ordinary shares of $1.00 each pursuant to the conversion of the company's 997,473 redeemable preference shares;

   iv) the allotment and issue of 1,365,894 ordinary shares of $1.00 each to the former bondholders of the company pursuant to their conversion of all their redeemable convertible bonds;

   v) the capitalisation of $5,591,377 from retained earnings for a bonus issue of 5,591,377 fully paid ordinary shares of $1.00 each to the existing shareholders;

   vi) 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 redesignated ordinary share having the same rights, privileges and restrictions attached to each existing ordinary share;

   vii) the sub-division of each ordinary shares of $1.00 in the existing authorised and issued and paid-up share capital of the company into 40 ordinary shares of $0.025 each (the "Sub-division of Shares");

   viii) the adoption of a new set of Articles of Association;

   ix) the issue of the 90,000,000 new ordinary shares of $0.025 each pursuant to the Invitation which when fully paid, allotted and issued, will rank pari passu in all respects with the existing issued shares of the company;

31 SUBSEQUENT EVENTS (cont'd)

x) that authority be given to the company's directors to allot and issue shares in 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 company's directors shall in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to such authority shall not exceed 50 per cent of the maximum potential issued share capital of the company for the time being and that the aggregate number of shares to be issued other than a pro-rata basis to the then existing shareholders of the company shall not exceed 20 per cent of the maximum potential issued share capital of the company for the time being, and, unless revoked or varied by the company in general meeting, such authority shall continue in full 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 or by the Articles of Association to be held, whichever is earlier.

For this purpose, the percentage of issued share capital is calculated based on the maximum potential issued share capital at the time that the mandate is passed (taking into account the conversion or exercise of any convertible securities and employee share options on issue at the time that the mandate is passed, which were issued pursuant to previous shareholder approval), and adjusted for any subsequent consolidation or sub-division of shares; and

xi) the ACCS Share Option Scheme 2003.

c) On March 7, 2003, the Company issued the Prospectus, for the Invitation in respect of 137,000,000 ordinary shares of $0.025 each, comprising 90,000,000 new ordinary shares and 47,000,000 vendor shares, at an issue price of $0.27 per share.

d) On March 14, 2003, the company was admitted to the Official List of the Stock Exchange Securities Trading Limited.

32 COMPARATIVES

The financial statements for December 31, 2002 cover the twelve months period from January 1, 2002 to December 31, 2002. The comparative figures for December 31, 2001 covered the period from October 21, 2000 (date of incorporation) to December 31, 2001.

STATEMENT OF DIRECTORS

In the opinion of the directors, the accompanying financial statements set out on pages 30 to 64 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, 2002 and of the results and changes in equity of the company and of the group, and of the cash flows of the group for the financial year ended December 31, 2002 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

March 24, 2003

STATISTICS OF SHAREHOLDINGS

AS AT 10 APRIL 2003

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	3	0.31	1,340	0.00
1,000 - 10,000	423	43.25	2,356,080	0.37
10,001 - 1,000,000	519	53.07	54,863,060	8.67
1,000,001 and above	33	3.37	575,941,840	90.96
TOTAL:	978	100.00	633,162,320	100.00

TWENTY LARGEST SHAREHOLDERS

	Name	No.of Shares	%
1.	Henry Tan Hor Thye*	134,228,225	21.20
2.	Ronnie Poh Tian Peng*	111,446,773	17.60
3.	PLE Investments Pte Ltd*	64,781,559	10.23
4.	Victor Tan Hor Peow*	38,433,474	6.07
5.	2G Capital Ptd Ltd	31,000,000	4.90
6.	Poh Ho Peng	22,781,452	3.60
7.	DBS Nominees Pte Ltd	20,067,000	3.17
8.	M-Commerce Ventures Pte Ltd	17,275,117	2.73
9.	Dewhurst Pte Ltd	16,792,720	2.65
10.	UOB Kay Hian Pte Ltd	16,211,660	2.56
11.	Citibank Nominees Singapore Pte Ltd	12,569,000	1.99
12.	Pro-Trans Holding Co Ltd	10,036,660	1.59
13.	Supasathe Piyaputhinan	8,969,760	1.42
14.	Ang Tse Aun Damien	8,843,120	1.40
15.	United Overseas Bank Nominees Pte Ltd	7,545,000	1.19
16.	Rim Oh Kyu	7,237,560	1.14
17.	Waterworth Pte Ltd	7,000,000	1.11
18.	Yip Hwai Chong(1)	6,383,440	1.01
19.	Nieh Teh-Chen	5,870,320	0.93
20.	Yong Kin Kwong Edmund(2)	4,031,640	0.64
	TOTAL :	551,504,480	87.13

* *Substantial Shareholders*
(1) *Mr Yip holds another 1,200,000 shares under United Overseas Bank Nominees Pte Ltd.*
(2) *Mr Yong holds another 1,400,000 shares under United Overseas Bank Nominees Pte Ltd.*

We confirm that 33.17% of the company's entire share capital is in the hands of public shareholders as at 10 April 2003.

Notice is hereby given that the Second Annual General Meeting of the Company will be held at 20 Toh Guan Road, #05-00, Accord Distri Centre, Singapore 608839 on Wednesday, May 14, 2003 at 10.00am for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Director's Report and Audited Financial Statements for the year ended December 31, 2002 — **Resolution 1**

2. To re-elect the following Directors retiring in accordance with Article 97 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

a)	Yip Hwai Chong	**Resolution 2**
b)	Liow Voon Kheong	**Resolution 3**
c)	Ronnie Poh Tian Peng	**Resolution 4**
d)	Dr Wang Kai Yuen (Independent Chairman of Remuneration Committee)	**Resolution 5***
e)	Chia Mui Leng Alick (Independent Chairman of Audit Committee)	**Resolution 6***
f)	Leow Poh Tat Philip (Independent Chairman of Nominating Committee)	**Resolution 7***

3. To approve the sum of S$100,000.00 as Directors' Fees for the Year ended December 31, 2002 — **Resolution 8**

4. To re-appoint Deloitte and Touche as Auditors of the Company and authorise the Directors to fix their remuneration — **Resolution 9**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

5. "RESOLVED that pursuant to Section 161 of the Companies Act, Cap. 50, (subject to listing rules of the Singapore Exchange Securities Trading Limited), the Directors of the Company be and are hereby authorised to issue shares (including the issue of shares pursuant to offers, agreements or options made or granted by the Company) and convertible securities (including the making and granting of offers, agreements or options which would or which might require shares to be issued or allotted) at any time, whether during the continuance of such authority or thereafter, to such persons upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution to shareholders on a pro-rata basis shall not exceed 50% of the issued share capital of the Company, and provided further that if any such shares and convertible securities are to be issued under circumstances where members of the Company are not given an opportunity to participate in such an issue, offer, agreement or option referred to above, then the shares and convertible securities to be issued under such circumstances shall not exceed 20% of the issued share capital of the Company." — **Resolution 10**

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

* *Please see Explanatory Notes*

By Order of the Board
Liu Kamward
Company Secretary
April 28, 2003

***Explanatory Notes:**

Resolution 5 - if re-elected, Dr Wang Kai Yuen, an Independent Director, will remain as Chairman of the Remuneration Committee.

Resolution 6 - if re-elected, Chia Mui Leng Alick, an Independent Director, will remain as Chairman of the Audit Committee.

Resolution 7 - if re-elected, Leow Poh Tat Philip, an Independent Director, will remain as Chairman of the Nominating Committee.

Resolution 10 - if passed, the Resolution will empower the Directors of the Company from the date of the above meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to the limit as specified in the Resolution for such purposes as they consider would be in the interest of the Company. This authority will continue in force until the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

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.

PLEASE GLUE AND SEAL ALONG THE EDGE

PROXY FORM

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

(Incorporated in the Republic of Singapore)

SECOND 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, May 14, 2003 at 10.00am 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 Yip Hwai Chong		
3	To re-elect Liow Voon Kheong		
4	To re-elect Ronnie Poh Tian Peng		
5	To re-elect Dr Wang Kai Yuen		
6	To re-elect Chia Mui Leng Alick		
7	To re-elect Leow Poh Tat Philip		
8	To approve Directors' Fees		
9	To re-appoint Deloitte and Touche as Auditors and to fix their Remuneration		
	Special Business		
10	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

ACCORD CUSTOMER CARE SOLUTIONS

Affix
Postage
Stamp

Company Secretary

Accord Customer Care Solutions Limited

20 Toh Guan Road #07-00

Accord Distri Centre

Singapore 608839

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