
Proposed Investment In Accord Customer Care Solutions Limited By Singapore Post Limited**Miscellaneous**

Name of Announcer *	ACCORD CUSTOMER CARE SOLN LTD
Company Registration No.	200009059G
Announcement submitted on behalf of	ACCORD CUSTOMER CARE SOLN LTD
Announcement is submitted with respect to *	ACCORD CUSTOMER CARE SOLN LTD
Announcement is submitted by *	Woo Kah Wai
Designation *	Company Secretary
Date & Time of Broadcast	07-Mar-2005 19:22:23
Announcement No.	00079

>> Announcement Details

The details of the announcement start here ...

Announcement Title * Proposed Investment In Accord Customer Care Solutions Limited By Singapore Post Limited

Description

Attachments:

 [ACCS070305.pdf](#)

Total size = **33K**
(2048K size limit recommended)

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

Proposed Investment In Accord Customer Care Solutions Limited By Singapore Post Limited

The Board of Directors of Accord Customer Care Solutions Limited (the "**Company**") wishes to announce that the Company has entered into an investment agreement dated 7 March 2005 (the "**Investment Agreement**") with Singapore Post Limited (the "**Investor**") for the proposed subscription by the Investor of new ordinary shares of S\$0.025 each in the capital of the Company (the "**Investment**").

Information About The Investor

The Investor is Singapore's dominant provider of domestic and international postal services, with a history, through its predecessors, dating back to 1819. Pursuant to a licence granted by the Info-communications Development Authority of Singapore, the Investor is granted the exclusive provider of basic mail services with respect to letters and postcards (excluding express letters) in Singapore until 31 March 2007, and a non-exclusive provider of these services until 31 March 2017. The Investor provides mail business, local and international express delivery services, warehousing, fulfilment and distribution services and retail services through its distribution channels.

Key Terms of the Investment

Subject to and upon the terms of the Investment Agreement, the Investor has agreed to subscribe for up to 29.9% of the fully-diluted enlarged capital of the Company as set out below:

- (i) 25,000,000 new ordinary shares of S\$0.025 each (the "**Tranche A Shares**") in the capital of the Company at the issue price of S\$0.30 for each Tranche A Share. The Tranche A Shares when issued and fully paid will rank *pari passu* in all respects with the existing ordinary shares of the Company; and
- (ii) such additional number (rounded up to the nearest whole number) of new ordinary shares of S\$0.025 each in the capital of the Company (the "**Tranche B Shares**") at the issue price of S\$0.30 for each Tranche B Share, which when aggregated with the Tranche A Shares, will represent up to 29.9% of the fully-diluted enlarged capital of the Company as at the date of the completion of the subscription of the Tranche B Shares (the "**Tranche B Completion Date**").

The term "fully-diluted enlarged capital" means the issued share capital of the Company on the assumption that the Tranche A Shares and the Tranche B Shares have been issued.

The completion of the subscription of the Tranche A Shares is conditional upon:

- (a) approval in-principle being granted by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Tranche A Shares on the Official List of the SGX-ST and such approval not having been revoked, suspended or amended and the same being in full force and effect as at Completion;
- (b) approval of the shareholders of the Company as required under Section 161 of the Companies Act (Cap. 50) (in the form of specific approval or general mandate) for the issue of the Tranche A Shares having been obtained and such approval not having been revoked, suspended or amended and the same being in full force and effect as at Completion; and

- (c) there having been, as at the Tranche A Completion Date, no material breach by the Company of any of its representations and warranties in the Investment Agreement.

The completion of the subscription of the Tranche B Shares is conditional upon:

- (a) the completion of a due diligence exercise over the business, affairs, operations, assets, financial condition and records of the Company and the results of the due diligence exercise being satisfactory to the Investor in its sole and absolute discretion;
- (b) approval in-principle being granted by the SGX-ST for the listing and quotation of the Tranche B Shares on the Official List of the SGX-ST and such approval not having been revoked, suspended or amended and the same being in full force and effect as at Completion;
- (c) approval of the shareholders of the Company as required under Section 161 of the Companies Act (Cap. 50) (in the form of specific approval or general mandate) for the issue of the Tranche B Shares elected to be subscribed having been obtained in accordance with the terms of this Agreement and such approval not having been revoked, suspended or amended and the same being in full force and effect as at Completion; and
- (d) there having been, as at the Tranche B Completion Date and in the Investor's sole and absolute opinion, no material adverse change, or any development likely to result in any material adverse change, in the condition, financial or otherwise, of the Company and/or the Group as a whole nor any material breach by the Company of any of its representations and warranties (if the same were repeated on or at any time before Tranche B Completion by reference to the facts and circumstances then existing) and/or obligations hereunder, and without prejudice to the generality of the foregoing and for the avoidance of doubt, there being, as at the Tranche B Completion Date, no finding or report by PriceWaterhouseCoopers, acting as independent investigators, or any governmental authority(ies) or regulators (including the SGX-ST) would, in the Investor's sole and absolute opinion, have a material adverse effect on the Company's financial position, prospects or operations.

The subscription price of S\$0.30 for each Tranche A Share and each Tranche B Share represents a discount of approximately 7.03 per cent. from the volume weighted average of trades done on the Company's shares on the SGX-ST from 9.00 a.m. up to 5.00 p.m. on 4 March 2005 of S\$0.3227.

Undertakings

Pursuant to the terms of the Investment Agreement, each of Accord Holdings Pte Ltd, Henry Tan Hor Thye, Ronnie Poh Tian Peng and Victor Tan Hor Peow (the "**Founders**") have given an undertaking to the Investor that for a period of six (6) months from the Tranche B Completion Date, they shall not directly or indirectly, offer, sell, contract to sell or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the sale or disposition (whether by actual sale or disposition or effective economic sale or disposition due to cash settlement or otherwise)), transfer, mortgage or otherwise dispose of any of the Shares directly or indirectly held by them as at the date of the Investment Agreement. Each of the Founders have also given an undertaking to the Investor that for a period of two (2) years from the Tranche B Completion Date, the Investor shall have a first right of refusal over any proposed sale of any of their Shares directly or indirectly held by them as at the date of the Investment Agreement.

Furthermore, each of the Founders, 2G Capital Pte Ltd, M-Commerce Ventures Pte Ltd and PLE Investments Pte Ltd have given an undertaking to the Investor that it shall vote and/or procure the vote of all Shares directly or indirectly held by them as at the date of the Investment Agreement in favour of the

resolution to be passed at an extraordinary general meeting of the Company to be held in connection with the proposed issue and allotment of the Tranche B Shares to the Investor.

New Directors

Under the terms of the Investment Agreement, the Investor shall nominate up to two persons to be appointed to the Board of Directors of the Company, one of which shall be appointed as Chairman of the board of directors of the Company. In this regard, Mr Lim Ho Kee will be appointed as director of the Company with effect from the completion of the issue of the Tranche A Shares.

Net Proceeds

The net proceeds from the issue and allotment of the Tranche A Shares will be S\$7.5 million. The net proceeds from the Tranche A Shares will be used for working capital requirements of the Company and its Subsidiaries. The net proceeds from the Tranche B Shares will prove useful to fund the Company's business objectives, in particular the enhancement and expansion of its distribution and service points in the Asia-Pacific region.

Financial Effects

When completed, the allotment and issue of the Tranche A Shares will increase the existing issued and paid-up ordinary share capital of the Company by approximately 2.6 per cent. from S\$24,024,261.875 comprising 960,970,475 ordinary shares of S\$0.025 each to S\$24,649,261.875 comprising 985,970,475 ordinary shares of S\$0.025 each.

The issue and allotment of the Tranche A Shares will not have a material impact on the net tangible assets of the Company. The financial effects of the issue and allotment of the Tranche B Shares will be announced when the exact number of Tranche B Shares that would be subscribed by the Investor is finalised.

Rationale for the Investment

The business models of the Company and the Investor have a strategic and synergistic fit. The Company believes that this new partnership will bring benefits to the business objectives of the Company. With the networks of the Investor and the Company in Singapore and the Asia-Pacific region respectively, the Company believes that the strategic partnership brought about by the Investment will present the Company with opportunities to expand its distribution and service points as well as offer more value added logistics solutions and services to the broader mobile telephony markets in the Asia-Pacific region.

Interests of Directors

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Investment.

BY ORDER OF THE BOARD

Woo Kah Wai
Company Secretary

7 March 2005
Singapore