
Status Update**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	12-Dec-2005 18:10:09
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	STATUS UPDATE
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Description

Accord Customer Care Solutions Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that PricewaterhouseCoopers ("PwC") has concluded its investigations into both the overstatement of revenue in relation to one particular contract in Singapore with a customer of the Company (as announced on 23 February 2005) for financial year 2004, as well as in respect of the Group's refurbishment business for the financial years 2003 and 2004 and has issued its reports on the same.

The full announcement and media release are attached herewith.

BY ORDER OF THE BOARD

Woo Kah Wai
Company Secretary

12 December 2005
Singapore

Attachments:

 [121205ACCS.pdf](#)

 [121205NewsRelease.pdf](#)

Total size = **59K**
(2048K size limit recommended)

ACCORD CUSTOMER CARE SOLUTIONS LIMITED

STATUS UPDATE

Further to the announcement on 26 May 2005, Accord Customer Care Solutions Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that PricewaterhouseCoopers ("PwC") has concluded its investigations into both the overstatement of revenue in relation to one particular contract in Singapore with a customer of the Company (as announced on 23 February 2005) for financial year 2004, as well as in respect of the Group's refurbishment business for the financial years 2003 and 2004 and has issued its reports on the same.

PwC Report on the Overstatement of Revenue arising from questionable in-warranty claims on Nokia Singapore

As the Company is presently resolving outstanding issues in relation to the subject matter of this report with Nokia Singapore, the Company will make an announcement concerning the same when appropriate.

The announcement, when made, is not expected to have any material financial impact on the Company as the financial impact of the subject matter of this report has been fully provided for as detailed in the earlier announcement on 26 May 2005.

PwC Report on the Refurbishment Business

PwC was instructed to investigate into the refurbishment business for the financial years ended 2003 and 2004 and has confirmed in this report that:-

- i. the refurbishment business of the Group did not exist, but was made to appear real through fabricated documents, and that payments for such refurbishment services were largely from the Company's own funds, routed through intermediaries in a manner to disguise its true origin; and
- ii. its findings on the overstatement of revenue and profit before tax for the financial years 2003 and 2004 in relation to the refurbishment business of the Group, are largely consistent with the Company's announcement on 26 May 2005, save that the previously announced overstatement of revenue and profit before tax of approximately S\$22 million and S\$19 million respectively for the financial year 2003 in relation to the refurbishment business of the Group, has been revised downwards to S\$19 million and S\$18 million respectively ("Revised FY2003 Adjustment").

Ex-employees

Some of the persons charged in connection with the Commercial Affairs Department's investigations into the affairs of the Company were employees of the Group. These persons are no longer employed by the Group.

The Company has taken steps to implement new systems and procedures to improve the Group's internal controls and processes as well as corporate governance practices.

Financial Year 2002

The Company also wishes to announce that further investigations by the Company have revealed that there has been an overstatement of revenue and profit before tax of approximately S\$1.0 million and S\$0.1 million respectively for 1H FY2002 ("1H FY2002 Overstatement") and approximately S\$2.6 million and S\$2.6 million respectively for Q4 FY2002 in relation to the refurbishment business of the Group ("Q4 FY2002 Overstatement").

The Company has notified the appropriate authorities concerning the 1H FY2002 Overstatement.

No effect on financial statements

The Company is of the opinion that, taking into consideration the information available to the Company, no adjustments are required to the Company's FY2002 financial statements by reason of the 1H FY2002 Overstatement and Q4 FY2002 Overstatement.

No further adjustments are required to the Company's FY2003 financial statements as the FY2003 financial statements have taken into account the Revised FY2003 Adjustment.

Finally, no further adjustments are necessary to the Company's FY2004 financial statements as announced on 5 August 2005.

BY ORDER OF THE BOARD

Woo Kah Wai
Company Secretary

12 December 2005
Singapore



NEWS RELEASE

ACCS moves forward with release of PwC reports

Singapore, 12 December 2005 – As the year approaches to a close, mainboard-listed Accord Customer Care Solutions Limited (“ACCS”) is putting an end to the troubles that have plagued the Group for most of 2005 with the issue of the final reports on the investigations by PricewaterhouseCoopers (“PwC”).

ACCS said today that it would not be making any further adjustments to its financial statements for the financial years 2003 and 2004 as PwC’s final findings were largely consistent with an earlier announcement that ACCS made on 26 May 2005 relating to the overstatements of revenue and pre-tax profit and the refurbishment business.

The PwC investigations, ordered by the then Independent Committee of ACCS following the Commercial Affairs Department’s probe into the affairs of the Company, involved the overstatement of revenue arising from questionable in-warranty claims on Nokia Singapore for financial year 2004, as well as the Group’s refurbishment business for financial years 2003 and 2004.

ACCS’ Chairman, Mr Philip Eng, said: “With these unhappy episodes behind us, we look forward to channeling and focusing management time and resources fully on re-building ACCS.”

He added: “Much has to be done to put ACCS on the path to stability and profitability. We need to work hard to raise the volume of business by engaging new principals and raising our value-add to existing customers. We will also have to keep a tight rein on costs through consolidation of service centres and outlets within our regional network. It is a balance we have to strike, and at the same time enhancing service quality.”

Mr Eng assured investors that steps have been taken to implement new systems and procedures to improve internal controls and processes as well as corporate governance practices within the Group.

Additionally, ACCS announced today that further investigations by the Company revealed an overstatement of revenue and pre-tax profit of approximately S\$1.0 million and S\$0.1 million respectively for the six months ended 30 June 2002 (“1H FY2002 Overstatement”) and approximately S\$2.6 million for both revenue and pre-tax profit for Q4 FY2002 in relation to the refurbishment business (“Q4 FY2002 Overstatement”). The Company has informed the appropriate authorities on the 1H FY2002 Overstatement. ACCS reported revenue of S\$70 million and pre-tax profit of S\$15.1 million for FY2002.

The Company, however, is of the opinion that taking into consideration the information available to it, no adjustments are required to its FY2002 financial statements by reason of the 1H FY2002 Overstatement and the Q4 FY2002 Overstatement.

About ACCS

ACCS is the regional outsourcing partner for mobile phone manufacturers and telecommunication network operators in the provision of after-sales customer services and sales and distribution of mobile communication equipment and mobile-related services.

ACCS today operates an integrated network across the Asia-Pacific region comprising 368 service centres (in 188 physical locations) across 12 countries.

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