

MEDIA RELEASE - ACCS reports FY04 revenue of S\$276.7m, net loss of S\$37.0m

Miscellaneous

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

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Announcement Title * MEDIA RELEASE - ACCS reports FY04 revenue of S\$276.7m, net loss of S\$37.0m

Description

Accord Customer Care Solutions Limited is pleased to attach herewith the media release in connection with the announcement of its audited Full Year Financial Statement for the period ended 31 December 2004.

BY ORDER OF THE BOARD

Woo Kah Wai
Company Secretary

5 August 2005
Singapore

Attachments: [MediaReleaseFY2004.pdf](#)
Total size = 37K
(2048K size limit recommended)

MEDIA RELEASE

ACCS reports FY04 revenue of S\$276.7m, net loss of S\$37.0m

	FY04 (Restated)	FY04*	FY04**	FY03 (Restated)	FY03 (Audited)
Revenue	276.7	280.4	340.4	81.5	100.7
Net Profit/(Loss)	(37.0)	(14.6)	47.4	2.4	21.2
Earning/(Loss) per share	(3.88)	(1.53)	4.98	0.25	2.30

*Adjusted revenue and profit based on provisions announced on 26 May 2005.

** As announced on 22 February 2005

Singapore, 5 August 2005 – Accord Customer Care Solutions Limited (“ACCS” or the “Company”) today said that it has incurred a net loss of S\$37.0 million on revenue of S\$276.7 million for the financial year ended 31 December 2004.

The Company had previously announced on 22 February 2005 that it posted revenue of S\$340.4 million and a net profit of S\$47.4 million.

It has also re-stated its accounts for FY2003 – with revenue of S\$81.5 million and net profit of S\$2.4 million. This is in contrast to the reported revenue of S\$100.7 million and net profit of S\$21.2 million.

In addition to provisions announced on 26 May 2005, the Company has made further adjustments and provisions totaling S\$22.4 million for FY2004 in respect of *inter alia*, the carrying values of the assets of subsidiaries, professional fees and contingencies.

The differences between its previously reported financial accounts for both FY2003 and FY2004 and the adjusted numbers stemmed mainly from the overstatement of the refurbishment business.

The overstatement of revenue and profits relating to the refurbishment business was uncovered following the independent investigation by PricewaterhouseCoopers (“PwC”),

which was initiated by the Company's Independent Committee after the initial investigation by the Commercial Affairs Department.

Explaining on behalf of the Board of Directors, Mr Philip Eng, Chairman of ACCS, said: "To the best of the Directors' knowledge, information and belief, the Board of Directors are of the opinion that taking into consideration the explanations, qualifications and disclaimers highlighted in the Report of Directors and Financial Statements released today, the financial statements are properly drawn up to provide a true and fair view of the state of affairs of ACCS as at 31 December 2004."

"Notwithstanding the above, we have reasonable grounds to believe that ACCS will be able to continue as a going concern, after reviewing the Group's business plans, cash flow and working capital needs as well as credit facilities available to ACCS," Mr Eng added.

Moving on, the Company is focusing its resources on two business segments – After-Market Services (AMS) and Distribution Management Solutions (DMS), two areas that it believes it still holds the competitive edge in Asia Pacific and where opportunities exist for expansion.

ACCS' extensive regional network of 195 service centres in 127 cities/towns across 12 countries in the Asia Pacific region remains the backbone to its business, and the Company continues to be the leading outsourcing solutions partner for major mobile phone manufacturers and telecommunication network operators in the distribution of mobile telecommunication equipment and mobile-related services as well as after-markets services for mobile communications and high-tech consumer products.

Mr Eng said: "Significant investment and resources have gone into building the regional AMS network, and we intend to continue to strengthen this network and realise its full potential. DMS has a promising business although we have to resolve some of the difficulties it still faces. This involves getting banking facilities re-instated fully, and a re-capitalisation is being planned as well."

The Company's customer base has remained quite intact, apart from the loss of one customer announced on 17 February 2005. We like to again thank our customers for

their support during this difficult time. We remain committed to strengthening our relationship with them.

On the outlook for the current financial year, he said: “While operations have been continuing as normally as possible under the present challenging circumstances, current years results will be adversely impacted. We can therefore expect ACCS to incur a loss in this current financial year.”

“Notwithstanding the above, we will do our utmost to return ACCS to profitability. This is contingent upon capital injection by new strategic investors or through other fund raising options. We are currently in discussion with a number of interested parties and are working very hard to bring a favourable conclusion in this area,” he added.

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