



RESPONSE TO SGX QUERIES IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR FY2007

The Company has received certain queries from the Singapore Exchange Limited in relation to the Company's annual report for FY2007. The following are the Company's responses to such queries:-

- (i) ***With reference to pages 50 to 54 of the Annual Report, please clarify whether the subsidiaries/ associated companies which were not audited by the Company's auditors (Deloitte and Touche) are considered significant subsidiaries/ associated companies of the Company pursuant to Rule 718 of the Listing Manual. If such subsidiaries/ associated companies are significant but have not been audited by the Company's auditors, please confirm whether Rule 716 has been complied with and provide the basis for the suitability of the auditors engaged in the audit of the subsidiaries.***

Of the subsidiaries/ associated companies listed in pages 50 to 54 of the Annual Report, only Accord Customer Care Solutions (Asia) Limited is considered a significant subsidiary company pursuant to Rule 718 of the Listing Manual. Pursuant to Rule 716, the Board of Directors of the Company and the Audit Committee are satisfied that the appointment of "Mazars CPA Limited, Hong Kong" as auditors would not compromise the standard and effectiveness of the audit.

Mazars CPA Limited is an international and independent audit organization which is also a member of the Forum of Firms – an association of international networks of accounting firms that performs audits of financial statements that are or may be used across national borders.

- (ii) ***Please clarify whether there were any IPTs during the year which were more than S\$100,000 per transaction. If so, please make the necessary disclosures in the format required pursuant to Rule 907.***

To the best knowledge and belief of the Company, there were no IPTs during the year which were more than S\$100,000 per transaction.

- (iii) ***We note that the Company's auditors expressed a qualified opinion on the financial statements for FY2007. Please make the necessary SGXNET announcement.***

The Company's auditors have expressed a qualified opinion on the financial statements for FY2007. This qualified opinion is in relation to the qualifications brought forward from previous financial years. which are detailed in the Annual

Report for FY2007 in the Independent Auditors' Report on pages 21 to 22 as follows:-

“Basis for Qualified Opinion

The matters below, that have an impact on the opening balances for the year ended 31 December 2007, were highlighted in our auditors' report on the financial statements for the year ended 31 December 2006, whereby we issued a qualified opinion:-

(a) Opening Balances

We were unable to satisfy ourselves about the opening balances brought forward from 31 December 2006, as we issued a disclaimer of opinion for the year ended 31 December 2005 and 2004.

(b) Transactions with related parties

We were unable to satisfy ourselves as to the completeness of the disclosure of related party transactions and other financial effects, if any, on the financial statements.

(c) Overseas subsidiaries

We did not receive audit clearances from certain subsidiaries' auditors and the auditors of certain other subsidiaries expressed disclaimer of opinion for the year ended 31 December 2006 and 2005.

The opening balances affected by the matters described above were brought forward into the financial statements for the year ended 31 December 2007 and hence these matters may have effects on the 2007 financial statements.”

Based on the qualifications brought forward from previous financial years, as described in (a) to (c) aforementioned, the Auditors of the Company issued the following Qualified Opinion, as can be found on page 22 of the Annual Report for 2007:-

“Qualified Opinion

Except for the effects of such adjustments and disclosures, if any, on the accompanying financial statements, of the matters described in the Basis for Qualified Opinion paragraphs, in our opinion the consolidated financial statements of the Group and the balance sheet of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31 December 2007 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.”

BY ORDER OF THE BOARD

Huang Wenjian Eugene
Company Secretary
Legal & Corporate Affairs Manager

Singapore
24 April 2008