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Responses to SGX Queries :: On Financial Statements :: RESPONSE TO QUERY FROM SGX REGARDING FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

* Asterisks denote mandatory information


Name of Announcer *	UNIFIED COMMUNICATIONS HLDGLTD
Company Registration No.	200211129W
Announcement submitted on behalf of	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted with respect to *	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted by *	Anton Syazi Ahmad Sebi
Designation *	Deputy Chief Executive Officer
Date & Time of Broadcast	02-Mar-2010 17:07:22
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>> Announcement Details
The details of the announcement start here ...

Announcement Title *	RESPONSE TO QUERY FROM SGX REGARDING FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
Subject of Query *	On Financial Statements

Description	Please see attached
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Attachments

 UCHLResponsetoSGXQueries2Ma10.pdf Total size = 39K (2048K size limit recommended)
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UNIFIED COMMUNICATIONS HOLDINGS LIMITED (“UHL”)

Company Registration No. 200211129W

RESPONSE TO QUERY FROM SGX REGARDING FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

The Board of Directors of UHL wishes to announce the following in response to queries received from Singapore Exchange Securities Trading Limited ("SGX-ST") on 26 February 2010 ("SGX Queries") regarding the full year financial statements and dividend announcement released on 24 February 2010 (the "Result Announcement"):

SGX Query

1. We note on Page 2 of the Results Announcement that "Intangible Assets" have increased 33% from S\$1,798,000 as at 31/12/2008 to S\$2,390,000 as at 31/12/2009. Please provide more details on what these intangibles relate to and the reasons for its increase.

Company's Response

The Intangible Assets of the Group consists of expenditure on (1) acquired intellectual property and (2) costs incurred on development projects relating to the design and testing of new and improved products. The increase in Intangible Assets of the Group from S\$1,798,000 as at 31 December 2008, to S\$2,390,000 as at 31 December 2009, is attributable to the costs incurred by the Group on development projects relating to the design and testing of new and improved products, namely the proprietary software, systems and solutions of the Group's business units. There was no intellectual property acquired by the Group during the year ended 31 December 2009.

Expenditure and investment by the Group on development projects to deliver new products, and to ensure continued enhancement and market-competitiveness of its existing portfolio of products, is an essential component of the Group's business plan and business development strategy. Such expenditure includes costs incurred to deliver the Group's next generation of products, as well complementary software, systems and solutions that to suit the specific needs and characteristics of the addressable markets within the Group's three regions of focus. Some examples of development costs incurred on new and improved products during the year ended 31 December 2009 include the Group's Mobile Advertisement Solution Suite that enables operators to implement within their network integrated mobile advertising services and improvements and enhancements to the Group's existing Personalised Ringback Tone (PRBT), Background Music (BGM), Roaming and Messaging products.

SGX Query

2. The Company has disclosed on Page 9 of the Results Announcement that "Trade and other receivables" under Non-current assets have increased mainly due to reclassification of certain trade and other receivables from current to non-current. Please explain why the receivables have been reclassified and to state if the Company is experiencing problems collecting the receivables.

Company's Response

The reclassification of receivables from current to non-current is consistent with the commercial contracts entered into by the Group with two of its customers, to allow for payment to be made by these customers under an instalment scheme. The instalment scheme which includes interest charges was reviewed and considered at the request of these customers. The Directors and Management of the Group assessed the requests from these customers against their payment track record and history of business dealings of with the Group, and concluded that in conjunction with the terms of the instalment scheme requested and the commercial contracts which were to be entered into, that full recovery of debts due from these customers can be reasonably expected. At the date of the announcement, there is no evidence to suggest that these two customers will not be in a position to honour the commercial contracts that have been entered into with the Group.

By Order of the Board

Anton Syazi Ahmad Sebi
Deputy Chief Executive Officer
2 March 2010