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Miscellaneous	
* Asterisks denote mandatory information	
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Announcement is submitted with respect to *	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted by *	Anton Syazi Ahmad Sebi
Designation *	Executive Director and Chief Executive Officer
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Announcement Title *	FURTHER INFORMATION ON THE SUCCESSFUL APPLICATION FOR REMOVAL FROM THE WATCH-LIST PURSUANT TO LISTING RULE 1314
Description	Please refer to attachment.
Attachments	 UCHL_WatchlistRemoval-Update_20110603.pdf Total size = 281K (2048K size limit recommended)

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UNIFIED COMMUNICATIONS HOLDINGS LIMITED

Company Registration No. 200211129W

FURTHER INFORMATION ON THE SUCCESSFUL APPLICATION FOR REMOVAL FROM THE WATCH-LIST PURSUANT TO LISTING RULE 1314

Pursuant to the announcement made on 2 June 2011, the Board of Directors of Unified Communications Holdings Limited ("UCHL" or "the Group") wishes to provide further information on the Group's successful application for removal from the Watch-List pursuant to Listing Rule 1314.

Under Listing Rule 1314, the Group may apply for its removal from the Watch-List if it satisfies one of the following criteria subsequent to the date of its admission:

- (1) the Group records a full year audited profit in the most recent completed financial year (based on audited consolidated results) and market capitalisation of S\$40 million (for the last 120 market days); or
- (2) the Group records a cumulative pre-tax profit ("PBT") of S\$7.5 million for 3 years with a minimum S\$1 million for each of the 3 years (Rule 210(2)(a)) or a cumulative PBT of S\$10 million for 1 or 2 years (Rule 210(2)(b)).

Given that the daily average market capitalisation of the Group over the 120 market days up to 18 April 2011 stood at approximately S\$13.5 million, the Group was not able to fulfil the removal criteria under Rule 1314(1).

However, based on the audited financial statements for the financial year ended ("FYE") 31 December 2010 which was officially received and adopted by the shareholders in the Annual General Meeting held on 28 April 2011, the Group recorded a cumulative PBT of S\$8.8 million for the last 3 financial years with a minimum S\$1 million for each of the 3 years, thereby fulfilling the alternative criteria for removal from the Watch-List under Rule 1314(2). It was on this basis that the Group had submitted its application for removal from the Watch-List to the Singapore Exchange ("the Exchange").

Further information on the basis for the Group's successful application for removal from the Watch-List is as set out as below:

(a) Meeting of Rule 210(2)(a)

The Group's audited PBT for FYE 31 December 2010 stood at S\$2.8 million, while the audited PBT for FYE 31 December 2009 and 2008 were at S\$3.3 million and S\$2.7 million respectively. With the cumulative PBT of S\$8.8 million for three financial years ended 31 December 2010, the Group has met the alternative criteria for removal from the Watch-List. This is set out in Table 1 below.

Table 1: UCHL Cumulative PBT

	FYE 2008 Audited	FYE 2009 Audited	FYE 2010 Audited	Cumulative 3-year Total	Cumulative 3-year Min. (as per Rule 210(2)(a))
PBT (in S\$'000)	2,733	3,287	2,801	8,821	7,500

A further analysis of the PBT before exceptional items and foreign exchange gain/(loss) for the relevant financial years, as depicted in Table 2 below, shows even higher cumulative profit for the same 3 year period.

Table 2: UCHL Cumulative PBT Before Exceptional Items and Foreign Exchange Gain/(Loss)

	FYE 2008 Audited S\$'000	FYE 2009 Audited S\$'000	FYE 2010 Audited S\$'000	Cum. 3-yr. Total S\$'000
PBT	2,733	3,287	2,801	8,821
<u>Adjustment for exceptional items</u>				
Allowance for impairment of trade receivables	28	-	52	80
Allowance for impairment of other receivables	230	22	29	281
Allowance for impairment of development cost	-	77	447	524
Allowance for impairment on plant and equipment	286	181	734	1,201
Allowance for inventory obsolescence	350	53	36	439
Inventories written off	23	-	-	23
Loss on disposals of plant and equipment	1	3	-	4
Plant and equipment written off	151	-	1	152
Gain on disposal of plant and equipment	(3)	(22)	(28)	(53)
Write-back of allowance for impairment of trade and other receivables	-	-	(231)	(231)
	1,066	314	1,040	2,420
PBT before exceptional items	3,799	3,601	3,841	11,241
<u>Adjustment for foreign exchange*</u>				
Foreign exchange loss	821	600	772	2,193
Foreign exchange gain	(1,103)	(663)	(726)	(2,492)
	(282)	(63)	46	(299)
PBT before exceptional items and foreign exchange loss/gain	3,517	3,538	3,887	10,942

* These foreign exchange gains/losses arise from our normal business operations as most of the Group's revenue is generated outside of Singapore. Hence, foreign exchange gains/losses can be expected to continue to fluctuate in line with the weakening/strengthening of the Singapore Dollar against foreign currencies in which the Group's invoices are denominated.

(b) Outlook of the Group

The Group will continue to execute its core strategies for growth and development in order to sustain its financial performance in future years. The core strategies being pursued by the Group to this end are:

- Defend Existing Businesses

The focus for VAS BU and TECH BU will be on defending existing market share, especially in SEA, by ensuring that the Group's service delivery and solution portfolio are superior to competition and commercially competitive. As for OSS BU, focus will continue to be applied on capturing opportunities in the growing business and operation support systems (BSS/OSS) segment.

- Re-Establish Growth Path

The Group will re-establish its growth path both organically and by way of acquisition of and/or strategic investment in complementary businesses.

Organic growth is expected to be achieved through the further development and release of new application and platform products in the areas of business support, service analytics, service lifecycle management, interactive mobile marketing and advertising, and mobile internet-driven VAS including mobile media services.

The Group has established a new business unit to address mobile media growth opportunities within its regions of focus and had commercially launched its first service in the final quarter of 2010.

Inorganic growth will also be pursued as the Group now has the capacity to direct a significant proportion of its capital towards acquisition(s) and/or strategic investment(s) in complementary businesses to drive future profit growth and deliver improvements in return on shareholders' equity.

- Brand Building

The Group has also embarked on a brand building initiative that focuses on the repositioning of the Group towards its customers, business partners and shareholders. The first visible outcome of this initiative is the revitalised corporate identity for the Group, signified by a refreshed logo and an updated corporate website.

- Growing Recurrent Revenues

Building up a larger base of recurring revenue has also been a key focus of the Group's development strategy to ensure sustainable profitability and profit growth. This recurring stream of income is reported as "managed services" contract revenues (contracts that involve the provision of systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis, including maintenance licences and technical support service contracts with existing customers of the Group).

On this note, managed services-related revenue of the Group showed year-on-year growth of 6% in FYE 31 December 2010. Revenue from this contract type represented 46% of total revenue of the Group for FYE 31 December 2010, as shown in Table 3 below.

Table 3: Revenue Mix of UCHL for FYE 31 December 2010 and 2009

External Sales (in S\$'000)	FYE 31 Dec 2010			FYE 31 Dec 2009		
	System Sales	Managed Services	Total	System Sales	Managed Services	Total
Revenue	9,778	8,445	18,223	10,993	7,971	18,964
Revenue mix (%)	54%	46%	100%	58%	42%	100%
Gross Profit (GP)	4,077	5,245	9,322	4,223	5,048	9,271
GP margin (%)	42%	62%	51%	38%	63%	49%

The Group has been and will continue to build more recurring revenue streams from managed services and further reduce the significance of any one contract to its profits. Nonetheless, the Group will also continue to work on securing new system sale contracts – this contract type is expected to continue to contribute to the Group's profitability in future years and complement the growing contribution to revenue and profitability of its managed services contracts.