



[FIRST QUARTER RESULTS](#) * FINANCIAL STATEMENT AND RELATED 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 * | Wong Tze Leng |
| Designation * | Group Executive Chairman |
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[>> ANNOUNCEMENT DETAILS](#)*The details of the announcement start here ...*

| | |
|----------------------------------|--|
| For the Financial Period Ended * | 31-03-2011 |
| Description | <p>This announcement supersedes the Announcement No. 00068 released on 6 May 2011.</p> <p>The first quarter financial results for the period ended 31 March 2011 and negative assurance confirmation are attached to this announcement.</p> |
| Attachments | <p> UHL_Q1_Result_06052011.pdf</p> <p> UHLNegativeAssuranceQ12011_06052011.pdf</p> <p>Total size = 88K (2048K size limit recommended)</p> |

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company registration no.: 200211129W)

**First Quarter Financial Statements and Dividend Announcement
for the Period Ended 31 March 2011**
PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Set out below are the financial statements for the first quarter ended 31 March 2011

Consolidated Income Statement

| | Group | | |
|--|----------------------|--------------|-------------|
| | Quarter ended 31 Mar | | |
| | 2011 | 2010 | Inc/(dec) |
| | S\$'000 | S\$'000 | % |
| Revenue | 3,223 | 5,042 | (36) |
| Cost of sales | (1,378) | (2,797) | (51) |
| Gross profit | 1,844 | 2,245 | (18) |
| Other operating income | 126 | 401 | (69) |
| Expenses: | | | |
| Technical support expenses | (650) | (622) | 4 |
| Distribution costs | (465) | (424) | 10 |
| Administrative expenses | (526) | (472) | 11 |
| Other operating expenses | (102) | (617) | (84) |
| Finance costs | - | - | 100 |
| Share of profit from an equity-accounted associate | 285 | 278 | 2 |
| Profit before income tax | 512 | 789 | (35) |
| Income tax expenses | (20) | (18) | 14 |
| Profit for the period | 492 | 771 | (36) |
| Profit attributable to: | | | |
| Owners of the Company | 423 | 311 | 36 |
| Non-controlling interest | 69 | 460 | (85) |
| Profit for the period | 492 | 771 | (36) |

Consolidated Statement of Comprehensive Income

| | Group | | |
|---|----------------------|--------------|-------------|
| | Quarter ended 31 Mar | | |
| | 2011 | 2010 | Inc/(dec) |
| | S\$'000 | S\$'000 | % |
| Profit for the period | 492 | 771 | (36) |
| Other comprehensive income: | | | |
| Exchange difference on translating foreign operations | (88) | 1,307 | (107) |
| Total comprehensive income for the period | 404 | 2,078 | (81) |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | 339 | 1,579 | (79) |
| Non-controlling interest | 65 | 499 | (87) |
| Total comprehensive income for the period | 404 | 2,078 | (81) |

1(a)(ii) Notes to income statement

The following items have been included in arriving at profit before income tax:

| | Group | | |
|---|----------------------|---------|-----------|
| | Quarter ended 31 Mar | | |
| | 2011 | 2010 | Inc/(dec) |
| | S\$'000 | S\$'000 | % |
| Other operating income, comprising: | | | |
| Foreign exchange gain | 42 | 330 | (87) |
| Write back of allowance for inventory obsolescence | 8 | - | 100 |
| Interest income | 63 | 45 | 41 |
| Other operating expenses, comprising: | | | |
| Amortisation of development costs and intellectual property | (160) | (159) | 1 |
| Depreciation of plant and equipment | (156) | (143) | 9 |
| Foreign exchange loss | (96) | (495) | (81) |
| Impairment loss on plant and equipment | - | (117) | (100) |
| Plant and equipment written off | (3) | (1) | 200 |

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

| | Group | Group | Company | Company |
|---|---------------|---------------|---------------|---------------|
| | As at | As at | As at | As at |
| | 31/03/2011 | 31/12/2010 | 31/03/2011 | 31/12/2010 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Plant and equipment | 6,886 | 3,799 | - | - |
| Intangible assets | 3,589 | 3,286 | - | - |
| Investments in subsidiaries | - | - | 32,734 | 32,734 |
| Investment in an associate | 636 | 1,449 | - | - |
| Deferred income tax assets | 42 | 43 | - | - |
| Trade and other receivables | 895 | 2,672 | - | - |
| Total non-current assets | 12,048 | 11,249 | 32,734 | 32,734 |
| Current assets | | | | |
| Inventories | 153 | 158 | - | - |
| Trade and other receivables | 5,709 | 7,043 | 6,030 | 6,354 |
| Cash and cash equivalents | 17,649 | 17,220 | 261 | 9 |
| Total current assets | 23,511 | 24,421 | 6,291 | 6,363 |
| Total assets | 35,559 | 35,670 | 39,025 | 39,097 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 31,948 | 31,948 | 31,948 | 31,948 |
| (Accumulated losses)/Retained earnings | (1,798) | (2,221) | 6,628 | 6,708 |
| Foreign currency translation reserve | (1,465) | (1,381) | - | - |
| Equity attributable to owners of the Company | 28,685 | 28,346 | 38,576 | 38,656 |
| Non-controlling interest | 1,012 | 1,029 | - | - |
| Total equity | 29,697 | 29,375 | 38,576 | 38,656 |
| Non-current liabilities | | | | |
| Deferred income tax liabilities | 25 | 25 | - | - |
| Total non-current liabilities | 25 | 25 | - | - |
| Current liabilities | | | | |
| Current income tax liabilities | 39 | 39 | - | - |
| Trade and other payables | 5,798 | 6,231 | 449 | 441 |
| Total current liabilities | 5,837 | 6,270 | 449 | 441 |
| Total liabilities | 5,862 | 6,295 | 449 | 441 |
| Total equity and liabilities | 35,559 | 35,670 | 39,025 | 39,097 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| Group | | Group | |
|-----------------|-----------|------------------|-----------|
| As at 31/3/2011 | | As at 31/12/2010 | |
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | - | - |

Amount repayable after one year

| Group | | Group | |
|-----------------|-----------|------------------|-----------|
| As at 31/3/2011 | | As at 31/12/2010 | |
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | - | - |

Details of any collateral

Not applicable

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flow

| | Group | |
|---|-----------------------------|----------------|
| | Quarter ended 31 Mar | |
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Operating activities: | | |
| Profit before income tax | 512 | 789 |
| Adjustments for: | | |
| Amortisation of development costs and intellectual property | 160 | 159 |
| Depreciation of property, plant and equipment | 156 | 143 |
| Plant and equipment written off | 3 | 1 |
| Impairment loss on property, plant and equipment | - | 117 |
| Write back of allowance for inventory obsolescence | (8) | - |
| Interest income | (63) | (45) |
| Share of profit from an equity-accounted associate | (285) | (278) |
| | | |
| Operating cash flow before movement in working capital | 474 | 886 |
| Changes in operating assets and liabilities | | |
| Inventories | 28 | (87) |
| Trade and other receivables | 3,117 | 4,466 |
| Trade and other payables | (433) | (348) |
| | | |
| Cash generated from operations | 3,186 | 4,917 |
| Income tax paid | (10) | (16) |
| Net cash from operating activities | 3,177 | 4,901 |
| | | |
| Investing activities: | | |
| Purchase of property, plant and equipment | (3,273) | (362) |
| Proceeds from disposals of property, plant and equipment | - | 5 |
| Development costs paid | (440) | (416) |
| Deposits withdrawal from a licensed bank | 26 | - |
| Interest received | 63 | 45 |
| Dividend received from an equity-accounted associate | 1,085 | - |
| Net cash used in investing activities | (2,540) | (728) |
| | | |
| Financing activities: | | |
| Dividend paid by a subsidiary to non-controlling interest | (82) | (41) |
| Repayments of finance leases | - | (2) |
| Net cash used in financing activities | (82) | (43) |

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

| | Group | |
|---|----------------------|---------|
| | Quarter ended 31 Mar | |
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Net change in cash and cash equivalents | 556 | 4,130 |
| Cash and cash equivalents at beginning of the financial year (Note 1) | 17,195 | 14,991 |
| Effect of exchange rate changes on cash and cash equivalents | (101) | 1,265 |
| Cash and cash equivalents at end of the financial period (Note 1) | 17,649 | 20,386 |

Explanatory Notes:

Note 1

| | Group | |
|--|----------------------|---------|
| | Quarter ended 31 Mar | |
| | 2011 | 2010 |
| | S\$'000 | S\$'000 |
| Cash and cash equivalents | 17,649 | 20,414 |
| Restricted deposits | - | (28) |
| Cash and cash equivalents per consolidated cash flow statement | 17,649 | 20,386 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the First Quarter ended 31 March 2011

| | Issued and fully paid | | Foreign currency translation reserve | (Accumulated losses) / Retained earnings | Equity attributable to owners of the Company | Non-controlling Interest | Total |
|---|-----------------------|---------------|--------------------------------------|--|--|--------------------------|---------------|
| | Number of shares | Share capital | | | | | |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial period ended 31/3/2011 | | | | | | | |
| Group | | | | | | | |
| Balance at 1/1/2011 | 319,572,675 | 31,948 | (1,381) | (2,221) | 28,346 | 1,029 | 29,375 |
| Total comprehensive income/ (expenses) for the financial period | - | - | (84) | 423 | 339 | 65 | 404 |
| Dividend paid to Non-controlling interest | - | - | - | - | - | (82) | (82) |
| Balance at 31/3/2011 | 319,572,675 | 31,948 | (1,465) | (1,798) | 28,685 | 1,012 | 29,697 |
| Company | | | | | | | |
| Balance at 1/1/2011 | 319,572,675 | 31,948 | - | 6,708 | 38,656 | - | 38,656 |
| Total comprehensive income/ (expenses) for the financial period | - | - | - | (80) | (80) | - | (80) |
| Balance at 31/3/2011 | 319,572,675 | 31,948 | - | 6,628 | 38,576 | - | 38,576 |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Statement of Changes in Equity for the First Quarter ended 31 March 2010

| | Issued and fully paid | | Foreign currency translation reserve | (Accumulated losses) / Retained earnings | Equity attributable to owners of the Company | Non-controlling Interest | Total |
|---|-----------------------|------------------|---|---|---|-----------------------------|---------------|
| | Number of shares | Share capital | | | | | |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial period ended 31/3/2010 | | | | | | | |
| Group | | | | | | | |
| Balance at 1/1/2010 | 319,572,675 | 31,948 | (1,942) | (3,968) | 26,038 | 660 | 26,698 |
| Total comprehensive income/ (expenses) for the financial period | - | - | 1,268 | 311 | 1,579 | 499 | 2,078 |
| Dividend paid to Non-controlling interest | - | - | - | - | - | (41) | (41) |
| Balance at 31/3/2010 | 319,572,675 | 31,948 | (674) | (3,657) | 27,617 | 1,118 | 28,735 |
| Company | | | | | | | |
| Balance at 1/1/2010 | 319,572,675 | 31,948 | - | (402) | 31,546 | - | 31,546 |
| Total comprehensive income/ (expenses) for the financial period | - | - | - | (70) | (70) | - | (70) |
| Balance at 31/3/2010 | 319,572,675 | 31,948 | - | (472) | 31,476 | - | 31,476 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year.

| | Company | |
|-----------------|-----------------|------------------|
| | As at 31/3/2011 | As at 31/12/2010 |
| Ordinary shares | 319,572,675 | 319,572,675 |

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current period as those applied in their audited financial statements for the year ended 31 December 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | Group | |
|--|-----------------------|-------|
| | 3 months ended 31 Mar | |
| | 2011 | 2010 |
| | cents | cents |
| Based on the weighted average number of ordinary shares on issue ⁽¹⁾ | 0.13 | 0.10 |
| On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾ | n.a | n.a |

n.a.: not applicable

⁽¹⁾ For comparative purposes, the earnings per ordinary share of the Group has been computed based on the net profit after tax from the financial statements of the relevant financial period and the weighted average number of ordinary shares issued of 319,572,675 shares for quarter ended 31 March 2011 and 2010.

⁽²⁾ Diluted earnings per share have not been calculated as no diluting events existed during these periods. No share options were granted to any employees during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.

| | As at 31/3/2011 | | As at 31/12/2010 | |
|---|-----------------|---------------|------------------|---------------|
| | Group cents | Company cents | Group cents | Company cents |
| Net asset value per ordinary share ⁽¹⁾ | 8.98 | 12.07 | 8.87 | 12.10 |

⁽¹⁾ The net asset value per ordinary share of the Group and the Company has been computed based on the net asset value of the Group and the Company at the relevant financial period/year end and the existing issued share capital of 319,572,675 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of results for the first quarter ended 31 March 2011 as compared to corresponding quarter ended 31 March 2010

The Group recorded consolidated revenue of S\$3.2 million for the quarter ended 31 March 2011, representing a decrease of 36% against revenue achieved in the corresponding quarter ended 31 March 2010.

The lower revenue recorded in the quarter under review was mainly attributable to lower revenue recorded by OSS and VAS BUs. The decline in revenue for OSS and VAS BUs for the quarter under review was mainly due to the slower than expected progress on the delivery of system sales contracts .

However, the decrease in OSS and VAS BUs was partly offset by the improvement in revenue achieved by TECH and OHQ BUs. This improvement in revenue achieved by TECH and OHQ BUs can be attributed to:

- * System expansion and new system sale revenues secured by TECH BU in SEA; and
- * Rental income arisen from the completion of Group's property acquisition as approved by an Extraordinary General Meeting held on 3 November 2010.

Group consolidated revenue for the period under review, as analysed by business unit, is provided below:

| | 2011 S\$'000 | Sales mix % | 2010 S\$'000 | Sales mix % |
|-------------------------------------|-----------------|----------------|-----------------|----------------|
| Mobile Technology (TECH BU) | 1,425 | - | 1,265 | - |
| Mobile Value-Added-Service (VAS BU) | 723 | - | 894 | - |
| Operational Headquarters (OHQ BU) | 93 | - | 3 | - |
| Operation Support Systems (OSS BU) | 982 | 30 | 2,880 | 57 |
| Total | 3,223 | 100 | 5,042 | 100 |

Across the Group's three regions of focus – South East Asia (SEA), South Asia (SA) and the Middle East and Africa (MEA), revenue from SEA continues to be the most significant contributor to Group consolidated revenue for the quarter under review.

As compared to the corresponding quarter ended 31 March 2010, revenue derived from SEA in the quarter under review decreased by S\$1.9m or 41%. The decrease in revenue contribution from this region was attributable primarily to the lower revenue recorded by OSS and VAS BUs.

Revenue from MEA continues to be the second largest contributor to Group consolidated revenue. However for the quarter under review, revenue from MEA showed a marginal decline of 5% against the result achieved in the corresponding quarter ended 31 March 2010. Consolidated revenue from SA however was stronger against the corresponding quarter ended 31 March 2010, mainly driven by improvement in the performance of VAS BU revenue sharing based managed service contracts in this region. A decline in contribution to revenue for the quarter under review can be seen from countries within other regions from which the Group has reduced its focus – namely Greater China, a territory which is included in the 'Others' category.

Group consolidated revenue for the quarter under review, as analysed by geographical segment, is provided below:

| External Sales | 2011 | | | | |
|----------------------------|-----------------|----------------|----------------|----------------|------------------|
| | TECH S\$'000 | VAS S\$'000 | OSS S\$'000 | OHQ S\$'000 | Group S\$'000 |
| South East Asia (SEA) | 1,417 | 156 | 973 | 93 | 2,639 |
| South Asia (SA) | 8 | 243 | 9 | - | 260 |
| Middle East & Africa (MEA) | - | 307 | - | - | 307 |
| Others | - | 17 | - | - | 17 |
| Total | 1,425 | 723 | 982 | 93 | 3,223 |

| External Sales | 2010 | | | | |
|----------------------------|-----------------|----------------|----------------|----------------|------------------|
| | TECH S\$'000 | VAS S\$'000 | OSS S\$'000 | OHQ S\$'000 | Group S\$'000 |
| South East Asia (SEA) | 1,253 | 384 | 2,870 | 3 | 4,510 |
| South Asia (SA) | 12 | 121 | 10 | - | 143 |
| Middle East & Africa (MEA) | - | 324 | - | - | 324 |
| Others | - | 65 | - | - | 65 |
| Total | 1,265 | 894 | 2,880 | 3 | 5,042 |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of results for the first quarter ended 31 March 2011 as compared to corresponding quarter ended 31 March 2010 (continued)

The Group also continues to place significant emphasis on growing revenue of a recurrent nature to complement the revenue generated from the sale of systems comprising the products and technologies of its business units as turnkey solutions. Group consolidated revenue can be decomposed into revenue generated from two types of contracts, as described below:

(a) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(b) Managed Service – this refers to contracts that involve the provision of both 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. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

For the quarter under review, the 36% decrease in Group consolidated revenue was mainly attributable to lower revenue from system sale contracts. Group consolidated revenue from managed service contracts for the quarter under review as compared to the corresponding quarter ended 31 March 2010 was also lower primarily due to slower than expected contract renewals. Gross profit for system sale revenue showed a decline of 46% against the corresponding quarter ended 31 March 2010. Nevertheless, the rate of decline was lower as compared to Group revenue which fell by 57%. This was mainly due to a more favourable sales mix enjoyed by the Group in the quarter under review, resulting in an increase in Group gross profit margin.

In terms of proportionate contribution of each contract type to Group consolidated revenue, managed service contract revenues now constitute more than half of Group consolidated revenue. In the quarter under review, the proportion of revenue accounted for by managed service contracts was 65% of Group consolidated revenue, as compared to 47% in the quarter ended 31 March 2010.

Group consolidated revenue for the quarter under review, as analysed by contract type, is provided below:

| External Sales | 2011 | | | 2010 | | |
|------------------|--------------|------------------|-------|--------------|------------------|-------|
| | System Sales | Managed Services | Group | System Sales | Managed Services | Group |
| Revenue | 1,141 | 2,082 | 3,223 | 2,679 | 2,363 | 5,042 |
| Gross Profit | 452 | 1,392 | 1,844 | 836 | 1,409 | 2,245 |
| Gross Profit (%) | 40% | 67% | 57% | 31% | 60% | 45% |

For the quarter under review, the Group recorded net profit of S\$0.5 million and EBITDA of S\$0.8 million, as compared to a net profit of S\$0.8 million and EBITDA of S\$1.0 million respectively for the corresponding quarter ended 31 March 2010. The 36% decrease in net profit was mainly due to lower revenue recorded in the quarter under review.

The adverse impact of lower revenue on the net profit performance of the Group was however partly mitigated by the lower expenses recorded in the quarter under review, namely in relation to the following:

- * An increase in gross profit margin to 57% for the quarter under review, as compared to 45% for the corresponding quarter ended 31 March 2010. This higher gross profit margin was mainly contributed by a more favourable revenue mix for the current quarter comprising lower external hardware and software costs; and
- * Lower net foreign exchange loss of less than S\$0.1 million recorded in the quarter under review as compared to S\$0.2 million in the corresponding quarter ended 31 March 2010 which derived primarily from the revaluation loss associated with SGD and USD denominated assets of the Group's MYR reporting subsidiaries.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

Review of the Group's financial position as at 31 March 2011 as compared to the Group's financial position as at 31 December 2010

Current assets decreased by S\$0.9 million or 4% from S\$24.4 million as at 31 December 2010 to S\$23.5 million as at 31 March 2011. This decrease was attributable mainly to the decrease in trade and other receivables by S\$1.3 million as a result of improvement in receipts from trade and other receivables.

Total non-current assets of the Group increased by S\$0.8 million or 7%, from S\$11.2 million as at 31 December 2010 to S\$12 million as at 31 March 2011. This increase was attributable mainly to the property acquisition amounting to S\$3.2 million. This increase was however offset by the reclassification of a trade receivable from non-current to current.

Total liabilities of the Group decreased by S\$0.4 million (or 7%) from S\$6.3 million as at 31 December 2010 to S\$5.9 million as at 31 March 2011. The decrease was mainly due to the reduction in trade and other payables.

Review of the Group's cash flow for the quarter ended 31 March 2011 as compared to the corresponding quarter ended 31 March 2010

The Group's cash from operations for the quarter under review was S\$3.1 million, a decrease of 37% as compared to cash from operations of S\$4.9 million for the corresponding period ended 31 March 2010. This decrease was attributable mainly to lower accounts receivables of the Group at the beginning of the quarter under review as compared to the prior year.

Operating cash flow before working capital changes for the quarter under review decreased to S\$0.5 million as compared to S\$0.9 million as at 31 March 2010. This decrease in operating cash flow was mainly due to lower profit before tax of the Group in the quarter under review of S\$0.5 million as compared to the profit before tax of S\$0.8 million in the corresponding quarter ended 31 March 2010.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No profit forecast has been issued for the financial period under review.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group will continue to execute the strategies for growth and development as described below:

*** 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.

OSS BU on the other hand, continued to further till fit its sales funnel throughout 2010 and went into 2011 with good prospects to extend the uptrend in both its top and bottom lines.

*** 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 has been in commercialisation of 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 the 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.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months (continued)

*** Prospects for 2011**

The Group has now delivered three consecutive years of profits. The Directors and Management of the Group are optimistic of securing the Group's removal from the SGX Watch List in 2011 and to extend this track record of profitable performance.

However, the Directors and Management of the Group expect 2011 to be a challenging year due to the following factors:

- (a) Intensifying competition for many of the Group's more mature products and technologies;
- (b) Pressure on the Group's capacity to recruit and retain suitable human capital to support growth and development plans partly due to increased competition for talent in SEA and MEA; and
- (c) Political instability or civil unrest in MEA which may affect new investment by mobile network operators or hamper the progress of imminent or existing system implementation projects.

11. Dividend

(a) Current Financial Year Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the period ended 31 March 2011.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

17. Interested Person Transactions

| Name of the Interested Person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) | |
|-------------------------------|--|-----------------|---|-----------------|
| | 3 months ended 31 Mar | | 3 months ended 31 Mar | |
| | 2011 S\$'000 | 2010 S\$'000 | 2011 S\$'000 | 2010 S\$'000 |
| Nil | Nil | | Nil | |

BY ORDER OF THE BOARD

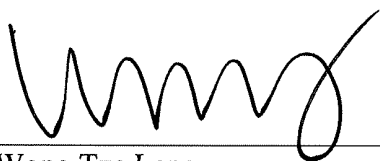
Wong Tze Leng
 Group Executive Chairman
 6 May 2011

CONFIRMATION OF NEGATIVE ASSURANCE ON INTERIM RESULTS
BY THE BOARD OF DIRECTORS (THE "BOARD") OF
UNIFIED COMMUNICATIONS HOLDINGS LIMITED (THE "COMPANY")
PURSUANT TO RULE 705(4) OF THE LISTING MANUAL
OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

Confirmation by the Board Pursuant to Rule 705(4)

We, Wong Tze Leng and Anton Syazi Ahmad Sebi, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the period ended 31 March 2011 to be false or misleading.

On behalf of the board of directors



Wong Tze Leng
Group Executive Chairman



Anton Syazi Ahmad Sebi
Group Executive Director and
Chief Executive Officer

Date: 06 MAY 2011