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<b>Second Quarter Results * Financial Statement And Related Announcement</b>	
* Asterisks denote mandatory information	
Name of Announcer *	UNIFIED COMMUNICATIONS HLDGLTD
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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 *	CHIEF EXECUTIVE OFFICER & EXECUTIVE DIRECTOR
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The details of the announcement start here ...	
For the Financial Period Ended *	30-06-2013
Description	Please see attached.
<b>Attachments</b>	 UCHL_Q2_2013Results.pdf Total size = <b>79K</b> (2048K size limit recommended)

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Second Quarter Financial Statements and Dividend Announcement  
for the Period Ended 30 June 2013

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (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 second quarter ended 30 June 2013

Consolidated Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2013	Q2 2012	Inc/(dec)	2013	2012	Inc/(dec)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Revenue</b>	<b>4,927</b>	<b>4,987</b>	<b>(1)</b>	<b>8,947</b>	<b>8,334</b>	<b>7</b>
Direct costs	(2,167)	(2,535)	(15)	(3,883)	(3,594)	8
<b>Gross profit</b>	<b>2,760</b>	<b>2,452</b>	<b>13</b>	<b>5,064</b>	<b>4,740</b>	<b>7</b>
Other operating income	144	125	15	392	5,728	(93)
Expenses:						
Technical support expenses	(829)	(772)	7	(1,610)	(1,657)	(3)
Distribution costs	(734)	(524)	40	(1,331)	(996)	34
Administrative expenses	(505)	(576)	(12)	(1,089)	(1,176)	(7)
Other operating expenses	(51)	(77)	(34)	(109)	(353)	(69)
Finance costs	(0)	-	(100)	(1)	-	100
Share of profit from an equity-accounted associate	-	(1)	(100)	-	48	(100)
<b>Profit before income tax</b>	<b>785</b>	<b>627</b>	<b>25</b>	<b>1,316</b>	<b>6,334</b>	<b>(79)</b>
Income tax expenses	(167)	(61)	173	(242)	(142)	70
<b>Profit for the period</b>	<b>618</b>	<b>566</b>	<b>9</b>	<b>1,074</b>	<b>6,192</b>	<b>(83)</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	436	420	4	802	6,020	(87)
Non-controlling interest	182	146	24	272	172	58
<b>Profit for the period</b>	<b>618</b>	<b>566</b>	<b>9</b>	<b>1,074</b>	<b>6,192</b>	<b>(83)</b>

Consolidated Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2013	Q2 2012	Inc/(dec)	2013	2012	Inc/(dec)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Profit for the period</b>	<b>618</b>	<b>566</b>	<b>9</b>	<b>1,074</b>	<b>6,192</b>	<b>(83)</b>
Other comprehensive income:						
Exchange differences on translating foreign operations	52	(465)	(111)	153	(438)	135
<b>Total comprehensive income for the period</b>	<b>670</b>	<b>101</b>	<b>563</b>	<b>1,227</b>	<b>5,754</b>	<b>(79)</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	488	(67)	(829)	954	5,558	(83)
Non-controlling interest	182	168	8	273	196	39
<b>Total comprehensive income for the period</b>	<b>670</b>	<b>101</b>	<b>563</b>	<b>1,227</b>	<b>5,754</b>	<b>(79)</b>

1(a)(ii) Notes to income statement

Profit after tax is stated after (charging)/crediting the following items:

	Group			Group		
	Quarter ended 30 June			6 months ended 30 June		
	Q2 2013	Q2 2012	Inc/(dec)	2013	2012	Inc/(dec)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Other operating income, comprising:</b>						
Foreign exchange gain	59	80	(26)	128	267	(52)
Interest income	84	33	155	258	69	274
Fair value gain on re-measurement of the Group's 40% equity interest in an associate	-	-	-	-	5,339	100
Gain on disposal of plant and equipment	(0)	1	100	(0)	38	100
<b>Other operating expenses, comprising:</b>						
Impairment loss on receivables	-	-	-	(2)	-	(100)
Amortisation of development costs and intellectual property	(296)	(317)	(7)	(577)	(477)	21
Depreciation of plant and equipment	(240)	(374)	(36)	(466)	(511)	(9)
Foreign exchange losses	(48)	(61)	(22)	(101)	(331)	(70)
Loss on disposal of property, plant and equipment	-	(2)	-	-	(2)	100
Plant and equipment written off	(1)	(1)	100	(1)	(4)	100
<b>Income tax expenses:</b>						
Current income tax	94	61	54	165	142	16
Under provision in preceding financial years	(0)	-	0	(3)	-	100
Overseas withholding tax	72	-	100	80	-	100

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

**Statements of Financial Position**

	Group As at 30/06/2013 S\$'000	Group As at 31/12/2012 S\$'000	Company As at 30/06/2013 S\$'000	Company As at 31/12/2012 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	2,498	2,888	-	-
Investment property	3,560	3,540	-	-
Intangible assets	16,362	16,357	-	-
Investments in subsidiaries	-	-	32,734	32,734
Deferred income tax assets	14	13	-	-
Trade and other receivables	970	965	-	-
<b>Total non-current assets</b>	<b>23,404</b>	<b>23,763</b>	<b>32,734</b>	<b>32,734</b>
<b>Current assets</b>				
Inventories	161	38	-	-
Trade and other receivables	6,915	7,867	5,983	5,114
Cash and cash equivalents	12,686	11,942	20	13
<b>Total current assets</b>	<b>19,762</b>	<b>19,847</b>	<b>6,003</b>	<b>5,127</b>
<b>Total assets</b>	<b>43,166</b>	<b>43,610</b>	<b>38,737</b>	<b>37,861</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	31,948	31,948	31,948	31,948
Retained earnings	5,654	4,852	6,649	5,355
Foreign currency translation reserve	(2,443)	(2,595)	-	-
<b>Equity attributable to equity holders of the Company</b>	<b>35,159</b>	<b>34,205</b>	<b>38,597</b>	<b>37,303</b>
Non-controlling interest	1,767	1,494	-	-
<b>Total equity</b>	<b>36,926</b>	<b>35,699</b>	<b>38,597</b>	<b>37,303</b>
<b>Non-current liabilities</b>				
Other payables	2,306	2,293	-	-
Deferred income tax liabilities	30	29	-	-
<b>Total non-current liabilities</b>	<b>2,336</b>	<b>2,322</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	3,636	5,309	140	558
Current income tax liabilities	268	280	-	-
<b>Total current liabilities</b>	<b>3,904</b>	<b>5,589</b>	<b>140</b>	<b>558</b>
<b>Total liabilities</b>	<b>6,240</b>	<b>7,911</b>	<b>140</b>	<b>558</b>
<b>Total equity and liabilities</b>	<b>43,166</b>	<b>43,610</b>	<b>38,737</b>	<b>37,861</b>

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

**Details of any collateral**

The Company has issued a financial guarantee to a bank for banking facilities granted to its subsidiary. The banking facilities are secured by fixed deposits of the subsidiary amounting to approximately \$321,000, a personal guarantee of a director of the subsidiary and corporate guarantee of the Company of RM1,530,000 (equivalent to \$614,000 (2012: \$611,000)). The Company has not recognised any liability in respect of the guarantee given to the bank for banking facilities granted to its subsidiary as the management has assessed that the likelihood of the subsidiary defaulting on repayment of its facility is remote.

As at the end of the financial period, the outstanding facilities covered by the guarantee are \$Nil (2012: \$Nil). The financial guarantee requires the guarantor to reimburse the bank if the subsidiary fails to make principal or interest repayments when due in accordance with the terms of the facility. There has been no default or non-repayment since the utilisation of the banking facilities.

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

**Consolidated Statement of Cash Flow**

	Group			
	6 months ended 30 June			
	Q2 2013	Q2 2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities:</b>				
Profit before income tax	785	627	1,316	6,334
Adjustments for:				
Amortisation of development costs and intellectual property	296	317	577	477
Depreciation of plant and equipment	240	374	466	511
Plant and equipment written off	1	1	1	4
Impairment loss on receivables	-	-	2	-
Gain on disposals of plant and equipment	-	(1)	-	(38)
Interest expense	0	-	1	-
Interest income	(84)	(33)	(258)	(69)
Fair value gain on re-measurement of the Group's 40% equity interest in an associate	-	-	-	(5,339)
Share of profit from an equity-accounted associate	-	1	-	(48)
<b>Operating cash flow before movements in working capital</b>	<b>1,237</b>	<b>1,286</b>	<b>2,105</b>	<b>1,832</b>
Changes in operating assets and liabilities				
Inventories	(90)	4	(125)	(112)
Trade and other receivables	1,039	1,073	952	934
Trade and other payables	(149)	289	(391)	(1,238)
<b>Cash generated from operations</b>	<b>2,037</b>	<b>2,652</b>	<b>2,541</b>	<b>1,416</b>
Income tax paid	(76)	(78)	(203)	(180)
Interest paid	(0)	-	(1)	-
<b>Net cash generated from operating activities</b>	<b>1,962</b>	<b>2,574</b>	<b>2,337</b>	<b>1,236</b>
<b>Investing activities:</b>				
Purchase of plant and equipment	(13)	(202)	(91)	(219)
Proceeds from disposal of plant and equipment	-	4	-	41
Acquisition of a subsidiary, net of cash acquired	-	(1)	-	(4,047)
Payment of contingent consideration	(1,306)	-	(1,306)	-
Development costs paid	(238)	(127)	(455)	(419)
Deposits withdrawal / (placement) with licensed banks	1,562	87	1,442	(3,603)
Interest received	84	33	258	69
<b>Net cash generated from / (used in) investing activities</b>	<b>88</b>	<b>(206)</b>	<b>(152)</b>	<b>(8,178)</b>
<b>Financing activities:</b>				
Proceeds from interest bearing borrowings	234	-	234	-
Repayment of interest bearing borrowings	(234)	-	(234)	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

			Group	
			6 months ended 30 June	
	Q2 2013	Q2 2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Net change in cash and cash equivalents	2,050	2,368	2,185	(6,942)
Cash and cash equivalents at beginning of the financial year (Note 1)	7,873	6,015	7,755	14,303
Effect of exchange rate changes on cash and cash equivalents	(6)	(254)	(23)	(232)
Cash and cash equivalents at end of the financial period (Note 1)	9,917	7,129	9,917	7,129

Explanatory Notes:

**Note 1**

	Group	
	6 months ended 30 June	
	2013	2012
	S\$'000	S\$'000
Cash and bank balances per statement of financial position	12,686	11,512
Less: Restricted deposits	(2,769)	(4,383)
Cash and cash equivalents per consolidated statement of cash flows	9,917	7,129

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 Second Quarter ended 30 June 2013**

	Issued and fully paid		Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-Controlling Interest	Total
	Number of shares	Share capital					
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial period ended 30/6/2013</b>							
<b>Group</b>							
Balance at 1/4/2013	319,572,675	31,948	(2,495)	5,218	34,671	1,585	36,256
Total comprehensive income for the financial period	-	-	52	436	488	182	670
<b>Balance at 30/6/2013</b>	<b>319,572,675</b>	<b>31,948</b>	<b>(2,443)</b>	<b>5,654</b>	<b>35,159</b>	<b>1,767</b>	<b>36,926</b>
<b>Company</b>							
Balance at 1/4/2013	319,572,675	31,948	-	5,229	37,177	-	37,177
Total comprehensive expenses for the financial period	-	-	-	1,420	1,420	-	1,420
<b>Balance at 30/6/2013</b>	<b>319,572,675</b>	<b>31,948</b>	<b>-</b>	<b>6,649</b>	<b>38,597</b>	<b>-</b>	<b>38,597</b>

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 Second Quarter ended 30 June 2012**

	Issued and fully paid		Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-Controlling Interest	Total
	Number of shares	Share capital					
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial period ended 30/6/2012</b>							
<b>Group</b>							
Balance at 1/4/2012	319,572,675	31,948	(1,805)	4,977	35,120	1,301	36,421
Total comprehensive income/ (expenses) for the financial period	-	-	(487)	420	(67)	168	101
<b>Balance at 30/6/2012</b>	<b>319,572,675</b>	<b>31,948</b>	<b>(2,292)</b>	<b>5,397</b>	<b>35,053</b>	<b>1,469</b>	<b>36,522</b>
<b>Company</b>							
Balance at 1/4/2012	319,572,675	31,948	-	6,643	38,591	-	38,591
Total comprehensive income for the financial period	-	-	-	656	656	-	656
<b>Balance at 30/6/2012</b>	<b>319,572,675</b>	<b>31,948</b>	<b>-</b>	<b>7,299</b>	<b>39,247</b>	<b>-</b>	<b>39,247</b>

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 6 months ended 30 June 2013**

	Issued and fully paid		Foreign currency translation reserve	Retained earnings	Equity attributable to equity holders of the Company	Non-controlling Interest	Total
	Number of shares	Share capital					
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial period ended 30/6/2013</b>							
<b>Group</b>							
Balance at 1/1/2013	319,572,675	31,948	(2,595)	4,852	34,205	1,494	35,699
Total comprehensive income for the financial period	-	-	152	802	954	273	1,227
<b>Balance at 30/6/2013</b>	<b>319,572,675</b>	<b>31,948</b>	<b>(2,443)</b>	<b>5,654</b>	<b>35,159</b>	<b>1,767</b>	<b>36,926</b>
<b>Company</b>							
Balance at 1/1/2013	319,572,675	31,948	-	5,355	37,303	-	37,303
Total comprehensive income for the financial period	-	-	-	1,294	1,294	-	1,294
<b>Balance at 30/6/2013</b>	<b>319,572,675</b>	<b>31,948</b>	<b>-</b>	<b>6,649</b>	<b>38,597</b>	<b>-</b>	<b>38,597</b>

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 Second Quarter ended 30 June 2012**

	Issued and fully paid		Foreign currency translation reserve	(Accumulated losses) / retained earnings	Equity attributable to equity holders of the Company	Non-controlling interest	Total
	Number of shares	Share capital					
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial period ended 30/6/2012</b>							
<b>Group</b>							
Balance at 1/1/2012	319,572,675	31,948	(1,830)	(623)	29,495	1,273	30,768
Total comprehensive income for the financial period	-	-	(462)	6,020	5,558	196	5,754
<b>Balance at 30/6/2012</b>	<b>319,572,675</b>	<b>31,948</b>	<b>(2,292)</b>	<b>5,397</b>	<b>35,053</b>	<b>1,469</b>	<b>36,522</b>
<b>Company</b>							
Balance at 1/1/2012	319,572,675	31,948	-	6,704	38,652	-	38,652
Total comprehensive expenses for the financial period	-	-	-	595	595	-	595
<b>Balance at 30/6/2012</b>	<b>319,572,675</b>	<b>31,948</b>	<b>-</b>	<b>7,299</b>	<b>39,247</b>	<b>-</b>	<b>39,247</b>

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 30/6/2013	As at 31/12/2012
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 reported 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 2012.

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		Group	
	Q2 2013	Q2 2012	6 months ended 30 June	
	cents	cents	2013	2012
Based on the weighted average number of ordinary shares on issue <sup>(1)</sup>	0.14	0.13	0.25	1.88
On fully diluted basis (detailing any adjustments made to the earnings) <sup>(2)</sup>	n.a	n.a	n.a	n.a

n.a.: not applicable

<sup>(1)</sup> 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 30 June 2013 and 2012.

<sup>(2)</sup> 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 30/6/2013		As at 31/12/2012	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share <sup>(1)</sup>	11.00	12.08	10.70	11.67

<sup>(1)</sup> 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 second quarter ended 30 June 2013 as compared to corresponding quarter ended 30 June 2012

##### *Group Revenue*

The Group recorded consolidated revenue of S\$4.9 million for the quarter ended 30 June 2013 ("Q2 2013"), a relatively flat result against revenue of S\$5.0 million achieved for the corresponding quarter of 2012 ("Q2 2012").

TECH BU recorded revenue of S\$1.8 million in Q2 2013, a marginal 2% increase on the S\$1.7 million achieved in Q2 2012. This increase was driven by the higher system sale contract revenues achieved by TECH BU in the SEA region.

VAS BU however recorded revenue of S\$1.6 million in Q2 2013, flat against the revenue recorded in Q2 2012. In the current quarter, VAS BU revenues from the SEA and SA regions improved by 12% to S\$1.4 million. This improvement is attributable to revenues generated by new managed service contracts of a revenue-sharing nature, which had more than offset the decline in revenue from certain existing managed service contracts. The higher revenue generated from the managed service contracts in the SEA and SA regions was however completely offset by the decline in managed service contract revenues in the MEA region.

OSS BU closed the current quarter with lower revenue of S\$1.5 million in Q2 2013, a decrease of 6% as compared to the S\$1.6 million achieved in Q2 2012. The decrease in OSS BU revenue was due to lower system sale contract revenues generated from the SEA region that was only partly mitigated by the improvement in SEA region managed service contract revenues.

OHQ BU continued to contribute to Group revenue with S\$0.06 million in rental income from the investment property acquired in early 2011.

The Group's sales mix for the current quarter shows a slight increase in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 71% of the Group's total revenue for Q2 2013 as compared to 68% for Q2 2012. This was mainly due to the 3% improvement in revenue from managed service contracts to S\$3.5 million as recorded in Q2 2013, compared to the S\$3.4 million achieved in Q2 2012. System sale contract revenues meanwhile decreased 11% from S\$1.6 million in Q2 2012 to S\$1.4 million in Q2 2013.

##### *Group Gross Profit and Gross Profit Margins*

The Group recorded gross profit of S\$2.7 million and gross profit margin of 56% in Q2 2013. In comparison, the Group realised lower gross profit and gross profit margin in Q2 2012 of S\$2.4 million and 49% respectively.

In spite of flat revenue recorded in Q2 2013, Group gross profit was 13% higher at S\$2.7 million, primarily due to higher gross profit margin being achieved as compared to Q2 2012. This higher gross profit margin was realised due to the more favorable sales mix for system sales revenues in Q2 2013, in particular, due to the lower proportionate contribution to Group system sale revenues of OSS BU, which as previously reported, generally delivers lower gross profit margin compared to the system sale contracts of TECH and VAS BU.

Gross profit margin achieved by the Group on its managed service contract revenues improved from 52% in Q2 2012 to 56% in Q2 2013. This improvement is mainly due to lower amortisation and depreciation costs relating to intellectual properties and equipment, following the application of full impairment provisions on certain assets in late 2012. This improvement was however partly offset by the higher proportionate contribution of OSS BU's lower-margin managed service contract revenues.

##### *Group Other Operating Income*

The Group recorded other operating income of S\$0.1 million in Q2 2013, a flat result against what was achieved in Q2 2012.

##### *Group Operating Expenses*

The Group recorded operating expenses of S\$2.1 million in Q2 2013, an increase of 9% on the S\$1.9 million of operating expenses in Q2 2012. This increase in expenses is attributable primarily to a 40% rise in distribution costs from S\$0.5 million in Q2 2012 to S\$0.7 million in Q2 2013 in connection with the expansion of the sales and business development headcount of the Group.

##### *Group Net Profit and EBITDA*

The Group achieved net profit of S\$0.6 million in Q2 2013. This result is 9% higher compared to the net profit of S\$0.5 million recorded by the Group in Q2 2012, attributable primarily to the higher overall gross profit margin achieved in Q2 2013. The Group recorded marginally lower EBITDA of S\$1.2 million in Q2 2013 as compared to the S\$1.3 million achieved in Q2 2012.

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 second quarter ended 30 June 2013 as compared to corresponding quarter ended 30 June 2012 (continued)**

*Detailed Segmental Breakdown of Group Revenue and Gross Profit*

The detailed segmental breakdown of the Group's revenue and gross profit for Q2 2013, together with comparative results for Q2 2012, is provided below:

**Table 8.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 June**

	Q2 2013 S\$'000	Sales mix %	Q2 2012 S\$'000	Sales mix %
Mobile Technology (TECH BU)	1,775	36	1,740	35
Mobile Value-Added-Services (VAS BU)	1,581	32	1,583	32
Operation Support Systems (OSS BU)	1,508	31	1,601	32
Operational Headquarters (OHQ BU)	63	1	63	1
<b>Total</b>	<b>4,927</b>	<b>100</b>	<b>4,987</b>	<b>100</b>

**Table 8.2: Group consolidated revenue as analysed by geographical segment for the quarter ended 30 June**

External Sales	Q2 2013				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
South East Asia (SEA)	1,768	1,046	1,503	63	4,380
South Asia (SA)	-	343	-	-	343
Middle East & Africa (MEA)	4	192	-	-	196
Others	3	-	5	-	8
<b>Total</b>	<b>1,775</b>	<b>1,581</b>	<b>1,508</b>	<b>63</b>	<b>4,927</b>

External Sales	Q2 2012				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
SEA	1,691	939	1,592	63	4,285
SA	-	304	9	-	313
MEA	47	340	-	-	387
Others	2	-	-	-	2
<b>Total</b>	<b>1,740</b>	<b>1,583</b>	<b>1,601</b>	<b>63</b>	<b>4,987</b>

**Table 8.3: Group consolidated revenue as analysed by contract type for the quarter ended 30 June**

External Sales	Q2 2013			Q2 2012		
	System Sale <sup>(1)</sup>	Managed Service <sup>(2)</sup>	Group	System Sale <sup>(1)</sup>	Managed Service <sup>(2)</sup>	Group
Revenue	1,429	3,498	4,927	1,599	3,388	4,987
Gross Profit	792	1,968	2,760	683	1,769	2,452
Gross Profit (%)	55%	56%	56%	43%	52%	49%

(1) 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.

(2) 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.

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 six months ended 30 June 2013 as compared to corresponding period ended 30 June 2012

##### *Group Revenue*

The Group achieved consolidated revenue of S\$8.9 million for the six-month period ended 30 June 2013 ("6M 2013"), an increase of 7% against revenue recorded in the corresponding period of 2012 ("6M 2012"). The increase in Group revenue for 6M 2013 is attributable to the improved revenue performance of TECH, VAS and OSS BU.

TECH BU achieved revenue of S\$3.2 million in 6M 2013, an increase 4% of on the S\$3.1 million in revenue recorded in 6M 2012. The improvement in revenue was mainly due to higher system sale contract revenues realised by TECH BU in the SEA region.

VAS BU recorded revenue of S\$3.2 million in 6M 2013, an increase of 8% on the S\$2.9 million in revenue recorded in 6M 2012. This increase is attributable primarily to higher system sale and new managed service contract revenues generated by VAS BU in the SEA and SA regions that had more than offset the decline in the revenues of its managed service contracts in the MEA region.

OSS BU recorded revenue of S\$2.4 million in 6M 2013, an increase of 12% from the S\$2.1 million recorded in 6M 2012. The increase in revenue is largely due to the higher managed service contract revenues realised by OSS BU in the SEA region.

OHQ BU continued to contribute to Group revenue with S\$0.13 million in rental income from the investment property acquired in early 2011.

The Group's sales mix in 6M 2013 showed a slight decrease in the proportionate contribution of revenue of a recurring nature, with revenue from managed service contracts representing 76% of the Group's total revenue in 6M 2013 as compared to 77% in 6M 2012. This lower contribution of managed service contracts to the Group's sales mix is mainly attributable to the improvement in system sale contract revenues of the Group, which had risen 10% from S\$1.9 million in 6M 2012 to S\$2.1 million in 6M 2013. This rise in system sale contract revenues of the Group is a result of the higher system sale contract revenues achieved by TECH and VAS BU.

##### *Group Gross Profit and Gross Profit Margins*

The Group achieved gross profit of S\$5.1 million in 6M 2013, corresponding to a gross profit margin of 57%. In comparison, the Group recorded 7% lower gross profit of S\$4.7 million in 6M 2012 at the same gross profit margin. The higher gross profit recorded by the Group in 6M 2013 is directly attributable to the improvement in Group revenue performance.

Although Group gross profit margin was flat across both 6M 2013 and 6M 2012, gross profit margin achieved for system sales contracts in 6M 2013 was notably higher at 59% versus 52% in 6M 2012, on account of a more favourable sales mix. This improvement in margin arising from higher system sale contract gross profit margin was however entirely offset by the decline in gross profit margin of managed service contract revenues from 58% in 6M 2012 to 56% in 6M 2013.

##### *Group Other Operating Income*

The Group recorded other operating income of S\$0.4 million in 6M 2013, 93% lower than the S\$5.7 million achieved in 6M 2012, mainly due to the absence of the fair value gain of S\$5.3 million that was recorded in 6M 2012 in relation to the Group's pre-existing, pre-acquisition 40% equity interest in Ahead Mobile Sdn Bhd ("AMSB").

In 6M 2013, the Group's interest income was 274% higher at S\$0.3 million versus the S\$0.1 million recorded in 6M 2012. This large increase in interest income is attributable mainly to the interest earned on deposits held in escrow in connection with contingent consideration payable for the AMSB acquisition. The effect of this increase in interest income in 6M 2013 on the Group's other operating income was however offset by the lower foreign exchange gain recorded in this period as compared to 6M 2012, which had arisen from the unfavourable movement of the EUR against MYR within 6M 2012.

##### *Group Operating Expenses*

The Group recorded operating expenses of S\$4.1 million in 6M 2013, 1% lower than the S\$4.2 million in operating expenses in 6M 2012. This decline in operating expenses is attributable to a combined 7% reduction in administrative expenses from S\$1.2 million in 6M 2012 to S\$1.1 million in 6M 2013, and S\$0.1 million in foreign exchange gains that had more than offset the 34% increase distribution costs to S\$1.3 million in 6M 2013 from the S\$1 million recorded in 6M 2012. The foreign exchange gains recorded by the Group in 6M 2013, is in connection with the favourable exchange rate movements of the USD and PKR against SGD.

##### *Group Net Profit and EBITDA*

The Group recorded net profit of S\$1.1 million and EBITDA of S\$2.1 million in 6M 2013, results that are 83% and 71% lower respectively, compared to the S\$6.2 million in net profit and S\$7.2 million in EBITDA achieved by the Group for 6M 2012. The lower bottom line results achieved in 6M 2013 are attributable to the absence of the above-mentioned fair value gain of S\$5.3 million that was recorded in 6M 2012.

Excluding the effect of the fair value gain, the Group recorded a 26% and 10% improvement in underlying net profit and EBITDA in 6M 2013 respectively, as compared to the S\$0.8 million in adjusted net profit and S\$1.9 million in adjusted EBITDA achieved in 6M 2012. This improvement in both the underlying net profit and EBITDA of the Group, excluding the effect of the fair value gain of 6M 2012 is attributable to the improvement in Group revenue in 6M 2013.

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 six months ended 30 June 2013 as compared to corresponding period ended 30 June 2012 (continued)**

*Detailed Segmental Breakdown of Group Revenue and Gross Profit*

The detailed segmental breakdown of the Group's revenue and gross profit for 6M 2013, together with comparative results for 6M 2012 is provided below:

**Table 8.4: Group consolidated revenue as analysed by business unit for the six months ended 30 June**

	2013 S\$'000	Sales mix %	2012 S\$'000	Sales mix %
Mobile Technology (TECH BU)	3,244	36	3,123	37
Mobile Value-Added-Services (VAS BU)	3,177	36	2,942	35
Operation Support Systems (OSS BU)	2,400	27	2,141	26
Operational Headquarters (OHQ BU)	126	1	128	2
<b>Total</b>	<b>8,947</b>	<b>100</b>	<b>8,334</b>	<b>100</b>

**Table 8.5: Group consolidated revenue as analysed by geographical segment for the six months ended 30 June**

External Sales	2013				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
South East Asia (SEA)	3,235	1,965	2,381	126	7,707
South Asia (SA)	-	693	9	-	702
Middle East & Africa (MEA)	4	519	-	-	523
Others	5	-	10	-	15
<b>Total</b>	<b>3,244</b>	<b>3,177</b>	<b>2,400</b>	<b>126</b>	<b>8,947</b>

External Sales	2012				
	TECH S\$'000	VAS S\$'000	OSS S\$'000	OHQ S\$'000	Group S\$'000
SEA	3,072	1,773	2,122	128	7,095
SA	-	622	18	-	640
MEA	47	545	-	-	592
Others	4	2	1	-	7
<b>Total</b>	<b>3,123</b>	<b>2,942</b>	<b>2,141</b>	<b>128</b>	<b>8,334</b>

**Table 8.6: Group consolidated revenue as analysed by contract type for the six months ended 30 June**

External Sales	2013			2012		
	System Sale <sup>(1)</sup>	Managed Service <sup>(2)</sup>	Group	System Sale <sup>(1)</sup>	Managed Service <sup>(2)</sup>	Group
Revenue	2,146	6,801	8,947	1,948	6,386	8,334
Gross Profit	1,271	3,793	5,064	1,008	3,732	4,740
Gross Profit (%)	59%	56%	57%	52%	58%	57%

(1) 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.

(2) 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.

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 30 June 2013 as compared to the Group's financial position as at 31 December 2012**

Non-cash current assets of the Group decreased to S\$7.1 million as at 30 June 2013 from S\$7.9 million as at 31 December 2012. This 10% decrease of S\$0.8 million was mainly due to a decrease in trade and other receivables.

Total non-current assets of the Group decreased from S\$23.8 million as at 31 December 2012 to S\$23.4 million as at 30 June 2013. This 2% decrease of S\$0.4 million was mainly due to ongoing depreciation charges on plant and equipment.

Total liabilities of the Group decreased from S\$7.9 million as at 31 December 2012 to S\$6.2 million as at 30 June 2013. This 21% decrease of S\$1.7 million was mainly due to a reduction in trade and other payables.

**Review of the Group's cash flow for the quarter and six months ended 30 June 2013 as compared to the corresponding periods ended 30 June 2012**

The Group's cash generated from operations for Q2 2013 was S\$2.0 million, a decrease of 23% as compared to the S\$2.6 million recorded for Q2 2012. This decline was primarily due to the higher repayment to trade and other payables in Q2 2013.

The Group's cash generated from operations for 6M 2013 was S\$2.5 million, an increase of 79% as compared to the S\$1.4 million recorded for 6M 2012. This improvement was primarily contributed by the significantly lower repayment to trade and other payables in 6M 2013.

The Group's net cash generated from investing activities for Q2 2013 amounted to S\$0.1 million as compared to net cash used in investing activities of S\$0.2 million for Q2 2012. This 143% rise in the Group's net cash from investing activities in Q2 2013 was mainly due to the significantly higher deposit withdrawals amounting to S\$1.5 million more than offsetting a payment of S\$1.3 million towards the contingent consideration payable in connection with the acquisition of AMSB. Deposit withdrawals in Q2 2013 was considerably higher than the S\$0.1 million recorded in Q2 2012 due to (i) the partial withdrawal of deposits that are being held in escrow to satisfy contingent consideration payable in connection with the acquisition of AMSB, and (ii) a restricted deposit that was placed in connection with a performance bond for a certain system sale contract being successfully withdrawn following the completion of the said contract.

The Group's net cash used in investing activities for 6M 2013 amounted to S\$0.1 million as compared to S\$8.2 million for 6M 2012. This higher net cash used in investing activities for 6M 2012 was due to the payment of the first tranche of purchase consideration amounting to S\$4.0 million, and the placement of S\$3.6 million in deposits relating to contingent consideration with an escrow agent, all in connection with the acquisition of AMSB.

**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 directors and management of the Group expect the 2013 financial year to remain challenging, largely due to the persistent downward pressure on the pricing of solutions that are delivered on a system sale model. All of the Group's BUs experienced an intensification of competitive pressure in all regions of focus in 2012 and for the 2013 year-to-date. This is expected to continue in the remainder of the 2013 financial year.

The relatively soft system sale market conditions are however expected to be countervailed in future reporting periods by progress in growing the managed services contract portfolio of the Group. With a significant number of new application services on a managed service model due for launch in 2013, the contribution that was made by AMSB in growing 2012 revenue-sharing contract revenues of the Group is expected to be substantially bolstered by income from VAS BU's own new contracts. The number of revenue sharing contracts under VAS BU is expected to increase substantially over the next two financial years, driven by utility-focused application services that have undergone research and development in recent years and that have been well-received by the market. Given the typical two-to-three year gestation period for application services to achieve steady-state revenues, the full impact of these new contracts on Group financial performance is expected to be realised by 2014 and 2015.

The Group will continue to search for opportunities for strategic investment and acquisition in the remainder of the 2013 financial year. With the ramping up of internet usage - especially the mobile broadband variety - in the SEA and SA regions over the past two years expected to persist as mobile internet devices become more affordable, the directors and management of the Group anticipate that internet-delivered application services will experience a resurgence in growth, as should the market for mobile and digital advertising solutions. The Group's growth by acquisition and strategic investment plan in the year ahead will focus primarily on these growth businesses in the SEA and SA regions.

**11. Dividend**

**(a) Current Financial Year Reported On**

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	0.2 Singapore Cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	0.15 Singapore Cents per ordinary share
Tax Rate	Tax-exempt (one-tier)

**(c) Date payable**

To be announced at a later date.

**(d) Books closure date**

To be announced at a later date.

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

Not applicable.

**13. 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)	
	6 months ended 30 June		6 months ended 30 June	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
AESBI Power Systems Sdn Bhd *	136	136	Nil	Nil

\* A wholly-owned subsidiary of Advance Synergy Capital Sdn. Bhd. (a subsidiary of Advance Synergy Berhad)

The Group does not require any shareholders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**14. 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.

**15. 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.

**16. A breakdown of sales.**

Not applicable.

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

Not applicable.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

Not applicable.

**19. Negative Confirmation pursuant to rule 705(5).**

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 financial period ended 30 June 2013 to be false or misleading.

On behalf of the Board of Directors

Wong Tze Leng  
Executive Chairman

Anton Syazi Ahmad Sebi  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Anton Syazi Ahmad Sebi  
Chief Executive Officer  
7 August 2013