


RESPONSES TO SGX QUERIES :: ON FINANCIAL STATEMENTS :: FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2011

* 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 *	Executive Director and Chief Executive Officer
Date & Time of Broadcast	13-May-2011 17:24:38
Announcement No.	00106

>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

Announcement Title *	FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2011
Subject of Query *	On Financial Statements
Description	Please see attached.
Attachments	 UCHL_Announcement_Response_to_SGX_Q1_11_13052011.pdf Total size = 27K (2048K size limit recommended)

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

Company Registration No. 200211129W

RESPONSE TO QUERIES FROM SGX REGARDING FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2011

The Board of Directors of Unified Communications Holdings Limited ("Uchl" or "the Group") wishes to announce the following in response to queries received from Singapore Exchange Securities Trading Limited on 11 May 2010 ("SGX Queries") regarding the first quarter financial statements and dividend announcement released on 6 May 2011:

SGX Queries

- (i) Please clarify the reasons for the increase in Distribution costs and Administrative expenses by 10% and 11% respectively despite a decrease of 36% in revenue for the quarter ended 31 March 2011.
- (ii) We note that the Group's investment in an associate decreased from S\$1.44m as at 31 December 2010 to S\$0.63m as at 31 March 2011. Please provide reasons for the decrease. If the decrease was due to a disposal of shares in the associate, to clarify whether any SGXNet announcement was made.

Company's Response

- (i) Reasons for the increase in Distribution Costs and Administrative Expenses despite a decrease in revenue

The higher Distribution Costs recorded in the quarter under review was mainly due to an increase in personnel headcount and human resources that had been taken place from the second quarter of 2010, in preparation for the anticipated increase in business activity in the Group's regions of focus of South East Asia, South Asia and Middle East & Africa.

The increase in Administrative Expenses recorded in the quarter under review was meanwhile primarily attributable to the revision of remuneration for certain key executives and senior management personnel of the Group in second half of 2010 to maintain fair and market-competitive compensation. This increase in management remuneration-related expenses had contributed to Administrative Expenses being higher in the quarter under review, in spite of revenue being lower.

Both the rise in expenses were consistent with the Group's operating plan and budget. The increase in personnel or human resource-related fixed expenses under both the Distribution and Administrative Expense categories reflect the steps that are being taken by the Group to ensure its businesses are appropriately resourced and invested in to deliver on the growth and development strategies adopted.

(ii) Reasons for the decrease in Group's investment in an associate

The decrease in the Group's investment in an associate from S\$1.44m as at 31 December 2010 to S\$0.63m as at 31 March 2011 was mainly attributable to a dividend of S\$1.08 million received from the associate in the quarter under review as shown in page 4, Consolidated Cash Flow Statement of the Group under the header of Investing Activities. As a result of this dividend payment, the carrying value of the Group's investment, which was represented by the Group's share of net assets in the associate has declined accordingly.

The reduction in the Group's investment in an associate arising from the dividend payout was however partly offset by the Group's share of its profit of S\$0.28 million for the quarter under review.

By Order of the Board

Anton Syazi Ahmad Sebi
Chief Executive Officer
13 May 2011