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Miscellaneous

* Asterisks denote mandatory information

Name of Announcer *	UNIFIED COMMUNICATIONS HLDGLTD
Company Registration No.	200211129W
Announcement submitted on behalf of	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted with respect to *	UNIFIED COMMUNICATIONS HLDGLTD
Announcement is submitted by *	Anton Syazi Ahmad Sebi
Designation *	Deputy Chief Executive Officer
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>> Announcement Details

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Announcement Title *	QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2) FOR THE QUARTER ENDED 31 DECEMBER 2009
Description	Please refer to the attachment
Attachments	UCHLWatchlistUpdate2009Q4.pdf Total size = **30K** (2048K size limit recommended)

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UNIFIED COMMUNICATIONS HOLDINGS LIMITED
Company Registration No. 200211129W

QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2) FOR THE QUARTER ENDED 31 DECEMBER 2009

On 5 March 2008, Unified Communications Holdings Limited (“UCHL” or “the Group”) was included on the Watch-List pursuant to Listing Rule 1311. Further to Listing Rule 1313 (2), the Board of Directors of UCHL wishes to provide the following updates for the quarter ended 31 December 2009:

(a) Update on Financial Situation

As announced on 24 February 2010, the Group recorded a net profit after tax of S$3.2 million for the financial year ended 31 December 2009, as compared to the net profit after tax of S$2.7 million in 2008, representing an increase in profitability by some 19%. This marks a year-on-year improvement in the bottom line performance of the Group of S$0.5 million and profitability for eight consecutive quarters

In summary, the improvement in profit performance of the Group in the financial year just ended (as compared to that achieved in 2008), was driven by:

(i) A more favourable revenue mix for the year in which revenue comprised a higher contribution from software licensing fee and services revenue, resulting in an improved Group gross profit margin of 49% achieved in the year under review compared to 47% in 2008; and

(ii) A notable reduction in net operating expenses of S$1 million, or 13%, secured through further expense savings achieved in the operations of both the Mobile Technology Business Unit (TECH BU) and Mobile Value-Added-Services Business Unit (VAS BU), as well as the absence of operating expenses in 2009 of the Distribution segment of the Group, the operations for which were ceased by end 2008.

For the year 2009, the Group recorded higher net profit after tax and minority interest of S$2.9 million, but a marginally lower earnings before interest, tax, depreciation and amortisation (“EBITDA”) of S$4.5 million, as compared to a net profit of S$2.5 million and EBITDA of S$4.7 million respectively for 2008.

The Group’s improved financial performance for the year 2009 as compared to 2008 reaffirms the significant progress being achieved by the Group in the execution of its three key strategies to deliver revenue growth and tangible improvements in profitability.

(b) Update on Future Direction

Consistent with past quarterly updates, the Group will continue its efforts in executing the strategies and tactics to strengthen the Group's position within the businesses and markets in which the Group competes.

(c) Update on Initiatives to Facilitate Removal from the Watch-List

From the beginning of the current financial year, the Group had already met one of the requirements under Rule 1314(1) – to achieve an audited pre-tax profit for its most recently completed financial year. This corresponds to the result achieved by the Group for financial year ended 31 December 2008, a year in which the Group achieved an audited pre-tax profit of S$2.7 million.

However, the daily average market capitalisation of the Group over a 120-day period in the current financial year has been below the minimum level of S$40 million as required under Rule 1314(1).

For the current financial year ended 31 December 2009, the Group reported an unaudited pre-tax profit amounting to S$3.3 million. This brings the cumulative pre-tax profit of the Group to S$6.0 million for the past eight reporting quarters - a result attributable to the relative success of the Group in implementing its adopted business strategies.

Against this backdrop of eight consecutive reporting quarters of pre-tax profit, the Group is optimistic in meeting the alternative criteria for removal from the Watch-List as specified under Rule 1314(2) - of achieving total audited pre-tax profit for the three years ending 31 December 2010 of at least S$7.5 million per Rule 210(2)(a) of the Listing Rules.

The Group had submitted an application in November 2009 to the Singapore Exchange pursuant to paragraph 3.2(1) of Practice Note 13.2, for an extension of time of a further 12 months for the Group to attain the said alternative removal criteria per Rule 1314(2).

On 10 February 2010, the Singapore Exchange issued a Regulatory Announcement to grant Watch-List companies a 12-month extension to meet the requirements to exit from the Watch-List if they satisfy either one of the two criteria, namely report a pre-tax profit for the latest completed financial year, or have minimum market capitalisation of S$40 million.

By virtue of the pre-tax profit of S$3.3 million achieved by the Group in the current financial year ending 31 December 2009, the Group qualifies for the 12-month extension granted by the Singapore Exchange and will be reassessed in March 2011.