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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 *	Chief Executive Officer
Date & Time of Broadcast	25-Nov-2010 17:07:01
Announcement No.	00049

>> Announcement Details	
The details of the announcement start here ...	
Announcement Title *	QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2) FOR THE QUARTER ENDED 30 SEPTEMBER 2010
Description	Please refer to the attachment.
Attachments	 UCHL_WatchlistUpdate2010Q3.pdf Total size = <b>56K</b> (2048K size limit recommended)

**QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2) FOR THE  
QUARTER ENDED 30 SEPTEMBER 2010**

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On 5 March 2008, Unified Communications Holdings Limited ("UCHL") 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 30 September 2010:

**(a) Update on Financial Situation**

As announced on 12 November 2010, UCHL (or the "Group") recorded a net profit after tax of S\$0.5 million for the quarter ended 30 September 2010, as compared to the net profit after tax of S\$0.6 million in 2009. The decrease in net profit of 17% despite an increase in revenue of 27% was mainly due to the following factors:

- (i) A decrease in gross profit margin to 43% for the quarter under review, as compared to 59% for the corresponding quarter ended 30 September 2009. This lower gross profit margin was mainly attributable to significantly higher third party hardware and software costs being incurred for certain System Sales contracts of OSS BU in the current quarter; and
- (ii) An increase in distribution costs to S\$0.6 million for the quarter under review, as compared to S\$0.4 million for the corresponding quarter ended 30 September 2009.

The impact of the above was however partially offset by the following factors:

- (i) A write back of an allowance for impairment of receivables, arising from debt recovery, amounting to S\$0.2 million for the quarter under review; and
- (ii) A decrease of depreciation charges to S\$0.1 million for the quarter under review as compared to S\$0.2 million for the corresponding quarter ended 30 September 2009. This was due to certain plant and equipment of the Group reaching the end of their estimated useful lives in late 2009.

For the nine month period ended 30 September 2010, the Group recorded a net profit after tax of S\$1.7 million.

**(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**

The Group has achieved two consecutive years of profitability for the financial years ended 31 December 2008 and 2009.

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

With S\$6.0 million in cumulative audited pre-tax profit already recorded in the past two financial years, the Group is confident 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.

As announced on 1 March 2010, the Group has been granted a 12-month extension by the Singapore Exchange to meet the requirements to exit from the Watch-List as per Listing Rule 1314, and to submit an application for removal from the same by 4 March 2011.