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Miscellaneous	
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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
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>> Announcement Details

The details of the announcement start here ...

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

Description Please refer to the attachment

Attachments  UCHLWatchlistUpdate2010Q230062010.pdf
Total size = **28K**
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UNIFIED COMMUNICATIONS HOLDINGS LIMITED

Company Registration No. 200211129W

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

On 5 March 2008, Unified Communications Holdings Limited (“UHL”) was included on the Watch-List pursuant to Listing Rule 1311. Further to Listing Rule 1313(2), the Board of Directors of UHL wishes to provide the following updates for the quarter ended 30 June 2010:

(a) Update on Financial Situation

As announced on 11 August 2010, UHL (or the “Group”) recorded a net profit after tax of S\$0.4 million for the quarter ended 30 June 2010, as compared to the net profit after tax of S\$0.8 million in 2009. The decrease in net profit of 51% despite revenue being lower only by 28% was mainly due to the following factors:

- (i) A decrease in gross profit margin to 56% for the quarter under review, as compared to 61% for the corresponding quarter ended 30 June 2009. This lower gross profit margin was mainly attributable to a less favourable revenue mix for the current quarter comprising higher external hardware and software costs; and
- (ii) An increase in distribution costs of S\$0.6 million for the quarter under review, as compared to S\$0.4 million for the corresponding quarter ended 30 June 2009. This increase was due to the expansion of the sales and business development headcount of the Group.

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

- (i) A net foreign exchange gain of S\$0.1 million in the quarter under review, primarily due to foreign exchange gains associated with SGD and EUR denominated assets and liabilities respectively for the MYR reporting subsidiaries of the Group for the current quarter. In comparison, a net foreign exchange loss of S\$0.2 million was recorded in the corresponding quarter in 2009;
- (ii) A decrease in depreciation charges to S\$0.1 million for the quarter under review, as compared to S\$0.3 million for the corresponding quarter ended 30 June 2009. This was due to certain plant and equipment of the Group reaching the end of their estimated useful lives in late 2009; and
- (iii) An increase in interest income to S\$0.2 million for the quarter under review, as compared to less than S\$0.1 million recorded for the corresponding quarter ended 30 June 2009. This was primarily due to interest received from one of the Group’s major receivables under an instalment payment scheme.

(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 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.

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.