

INTERNAL CORPORATE REORGANISATION OF UNIFIED COMMUNICATIONS HOLDINGS LIMITED GROUP OF COMPANIES INTO DISTINCT BUSINESS UNITS

1. Introduction

The Board of Directors wishes to announce that Unified Communications Holdings Limited (“UCHL” or “the Company”) and its subsidiary companies (collectively referred to as “Group”) will be implementing a group-wide internal corporate reorganisation exercise to realign the Group’s businesses into distinct business units. The reorganisation exercise will involve, amongst others, the following:

- (a) The reorganisation of various entities within the Group’s existing business segments into three (3) principal business units – i.e. a mobile communications technology business unit (“Tech BU”), a mobile value-add-services business unit (“VAS BU”) and an operation support systems business unit (“OSS BU”). After the reorganisation, the following legal entities will serve as the anchor companies for the respective business units:

Existing Segment	Business	Business Unit	Business Unit Anchor Company
Proprietary Solutions		Tech BU	Unified Communications Sdn Bhd (“UCSB”)
Proprietary Solutions		VAS BU	Unified Communications Pte Ltd (“UCPL”)
Operation Systems	Support	OSS BU	Unified Communications (OSS) Sdn Bhd (new entity to be incorporated as investment holding company of OSS BU)

- (b) In addition to the aforesaid business reorganisation, a new entity, Unified Communications (OHQ) Sdn Bhd will be created to house the Group’s operations headquarters (“OHQ”) in Malaysia.
- (c) The restructuring of inter-company balances between various wholly-owned subsidiaries of the Group and recapitalisation of certain wholly owned subsidiaries.

(The above is collectively referred to as the “**Group Internal Reorganisation**”)

2. Details of the Group Internal Reorganisation

The Group Internal Reorganisation will involve the following transactions to be carried out by the respective companies under the UCHL Group of Companies:

- 2.1 Incorporation by UCHL of a new wholly-owned subsidiary in Malaysia, Unified Communications (OSS) Sdn Bhd, for the purpose of holding the Group’s investment in GlobeOSS Sdn Bhd (“GlobeOSS-M”) and GlobeOSS Pte Ltd (“GlobeOSS-S”) which are currently housed under Unified Communications Sdn Bhd. GlobeOSS-M and GlobeOSS-S will continue to be involved in operation support systems business.

The transfer of UCSB’s equity investment in GlobeOSS-M (including its wholly owned subsidiary GlobeOSS-S) to Unified Communications (OSS) Sdn Bhd shall be for consideration of RM236,573.

- 2.2 Incorporation by UCHL of a new wholly-owned subsidiary in Malaysia, Unified Communications (OHQ) Sdn Bhd, to house the Group’s operations headquarters in Malaysia.
- 2.3 Incorporation by UCPL of a new wholly-owned subsidiary in Malaysia, Unified Communications (VAS) Sdn Bhd, to support the conduct of its mobile value-added services business.

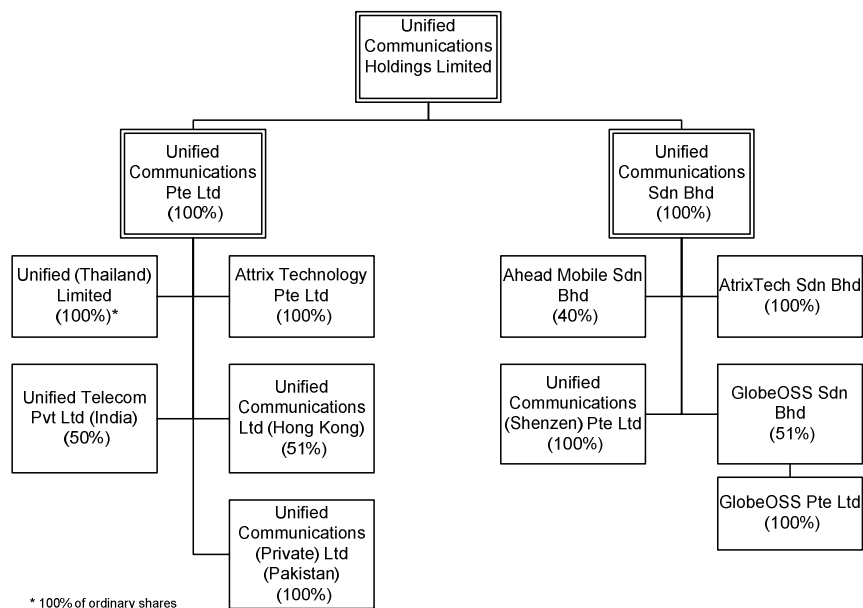
- 2.4 Transfer of UCSB's 100% equity investment in AttrixTech Sdn Bhd ("ATSB"), represented by 2 ordinary shares of RM1.00 each, to UCPL for RM2.00. ATSB will thereafter be involved in the conduct of mobile value-added-services business.
- 2.5 Transfer of UCPL's 100% equity investment in Attrix Technology Pte Ltd ("ATPL") to UCSB for consideration of SGD1.00. ATPL will thereafter be involved in the conduct of mobile communications technology business.
- 2.6 A reorganisation of UCSB, ATSB, UCPL and ATPL by the restructuring of their respective inter-company balances with various wholly owned subsidiaries of UCHL. This will include:-
 - (a) A reorganisation of UCPL involving the restructuring its inter-company balances with various wholly owned subsidiaries of UCHL and thereafter, settlement of such amounts owing by UCPL to UCHL by the issuance of 10,000,000 new ordinary shares in UCPL for consideration of S\$10,000,000; and
 - (b) A reorganisation of ATSB involving the restructuring of its inter-company balances with various wholly owned subsidiaries of UCHL and thereafter settlement of such amounts owing by ATSB to UCPL by the issuance of 1,932,511 new ordinary shares of RM1.00 each in ATSB for consideration of RM1,932,511.

3. Effect of the Group Internal Reorganisation

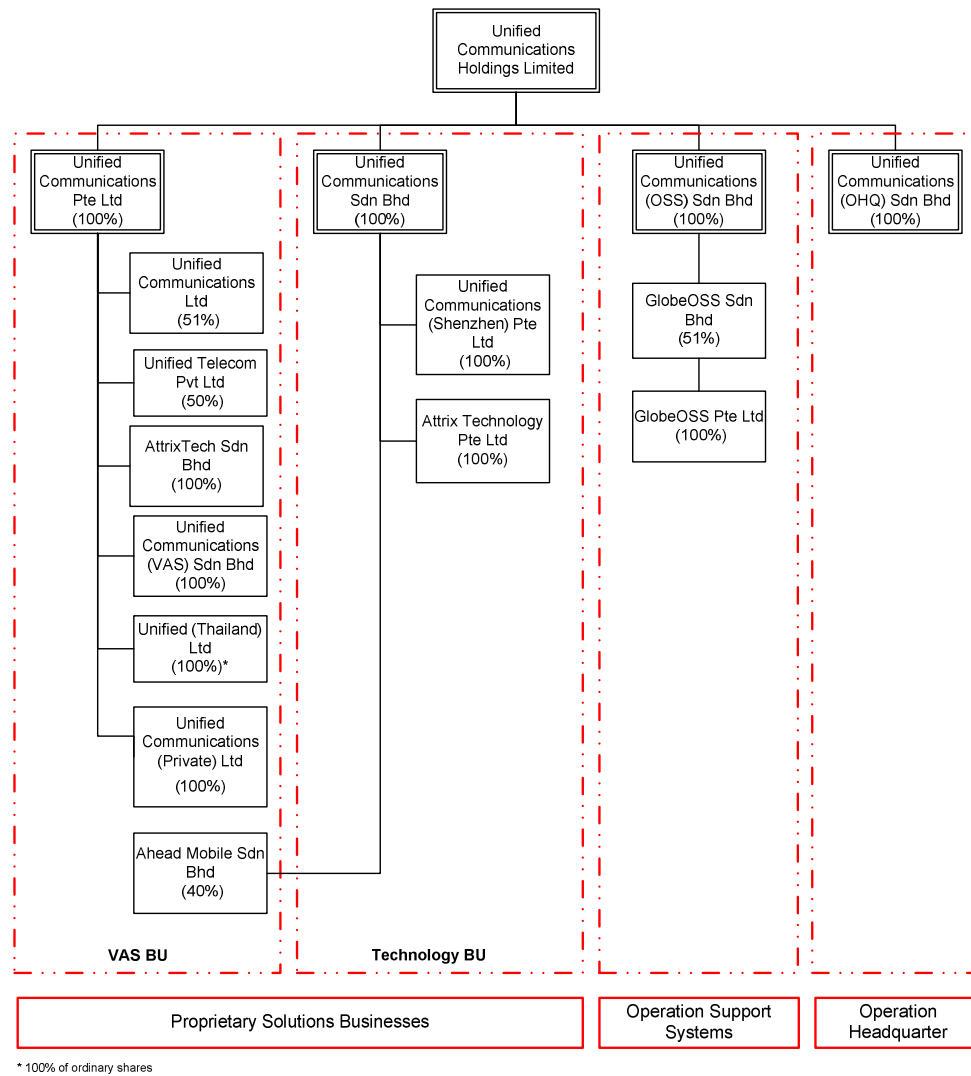
3.1 Group Structure

The Group's corporate structure before and after the Group Internal Reorganisation is illustrated below:

Before the Group Internal Reorganisation



After the Group Internal Reorganisation



3.2 Effect on Earnings

The Group Internal Reorganisation is not expected to have material impact on the consolidated net tangible assets per share and earnings per share of the Company and Group for the current financial year ending 31 December 2008.

3.3 Effect on Consolidated Net Tangible Assets (“NTA”)

The Group Internal Reorganisation is not expected to have impact on the Consolidated NTA of the Company.

3.4 Effect on Share Capital

The Group Internal Reorganisation is not expected to have impact on the share capital of the Company.

4. Rationale for the Group Internal Reorganisation

The Group Internal Reorganisation represents a natural progression for the Group in the ongoing execution of its growth and development strategies originally adopted in 2006 - strategies that were conceived with the aim of delivering improvements in operating and financial performance to facilitate the return of the Group to a path of sustainable profitability.

The early results of these strategies were first seen in the significant growth in revenue, gross profit and EBITDA (before exceptional items) secured by the Group for the year ending 31 December 2007. The improvement in the Group's operating and financial performance was further extended in the first nine months of the current reporting year. During this period the Group successfully delivered three consecutive quarters of operating and net profitability.

The Board of Directors and Management of the Group believe that the Group's future financial performance would significantly benefit from the separation and grouping of the business areas within the Proprietary Solutions business segment into distinct business units pursuant to the Group Internal Reorganisation. In so doing, each of these business areas under the existing Proprietary Solutions business segment will, following the implementation of the Group Internal Reorganisation, have its own anchor company and subsidiary companies under which dedicated management, operational and financial resources would be placed and optimised to facilitate an even more focused pursuit and realisation of each business areas' growth opportunities.

The Board of Directors and Management of the Group believe that the majority of the mobile telecommunications markets worldwide offer significant opportunities for profitable growth, especially within the market segments being targeted and addressed by the two business areas of the Group's Proprietary Solutions segment. Upon implementation of the Group Internal Reorganisation, the currency and relevance of the Group's solutions technologies and know-how to these specific segments within the overall telecommunications markets is expected to be further enhanced. Coupled with the anticipated improvements in strategy execution performance driven by the improved alignment and focus of the people, competencies and financial resources of each business area upon their reorganisation into distinct business units, the Group Internal Reorganisation is expected to further facilitate significant improvements in the future growth and profitability of the Group.

To provide amongst others, essential growth planning, risk management and other strategy execution and corporate development support services to the distinct business units formed pursuant to the Group Internal Reorganisation, a new entity – Unified Communications (OHQ) Sdn Bhd – will also be established under the Group Internal Reorganisation, to house the operations headquarters ("OHQ") of the Group. The Group intends to apply to the Government of Malaysia for 'OHQ status' for this new entity, in order to obtain any potential tax incentives available for the Group under the 'OHQ status' scheme as offered by the Government of Malaysia.

The Group Internal Reorganisation is additionally expected to augment the Group's capacity and capability to execute its plans to:

1. further strengthen its solutions portfolio, its product development and solution delivery and implementation functions;
2. bolster sales and marketing channels within its regions of focus; and
3. secure its removal from the Singapore Stock Exchange's watchlist.

5. Approvals Required

The Group Internal Reorganization involving subsidiary company of UCHL which is incorporated in Malaysia is subject to the approval of the Foreign Investment Committee of Malaysia, where applicable.

Further, pursuant to the Group Internal Reorganisation, applications will be made to the Inland Revenue Board of Malaysia ("IRB") for stamp duty exemption.

Save for the above, the Group Internal Reorganisation is not subject to any other approval from other authorities or government agencies in Malaysia or Singapore.

6. Effective and Completion Dates

The operational reorganisation of the Group's existing Proprietary Solutions and OSS business segments into three distinct business units, Tech BU, VAS BU and OSS BU, as set out in Section 1 above, is set to take with effect immediately. However, the establishment of the intended new corporate structure and the associated transactions to be effected pursuant to the Group Internal

Reorganisation, as set out in Sections 2 and 3 above, is expected to formally be completed in due course and, where applicable, upon the notification of the relevant decisions from FIC and IRB as mentioned in Section 5 above.

7. Directors' and Substantial Shareholders' Interest

None of the Directors of UCHL have any direct or indirect interest in the Group Internal Reorganisation. The Directors of UCHL are not aware of any substantial shareholder having any interest, direct or indirect, in the Group Internal Reorganisation, and have not received any notification of interest in the Group Internal Reorganisation from any substantial shareholder.