

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company registration no.: 200211129W)

**Second Quarter Financial Statements and Dividend Announcement
for the Period Ended 30 June 2008**

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Set out below are the financial statements for the second quarter ended 30 June 2008

Consolidated Income Statement

	Group			Group		
				6 months ended 30 Jun		
	Q2 2008	Q2 2007	Inc/(dec)	2008	2007	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	2,405	5,148	(53)	8,623	7,546	14
Cost of sales	(849)	(3,447)	(75)	(4,934)	(5,334)	(7)
Gross profit	1,556	1,701	(9)	3,689	2,212	67
Other operating income	7	23	(68)	32	51	(37)
Technical support expenses	(777)	(990)	(21)	(1,739)	(1,984)	(12)
Distribution costs	(292)	(636)	(54)	(652)	(1,158)	(44)
Administrative expenses	(424)	(503)	(16)	(939)	(876)	7
Other expenses	205	(6)	(3517)	(14)	(265)	(95)
Total Operating Expenses	(1,288)	(2,135)	(40)	(3,344)	(4,284)	(22)
Profit/(loss) from operations	275	(411)	(167)	377	(2,020)	(119)
Finance costs	(16)	-	100	(33)	(14)	133
Share of result of an associated company	403	392	3	865	598	45
Profit/(loss) before tax	662	(19)	(3584)	1,209	(1,436)	(184)
Income tax	(3)	(39)	(93)	(33)	(48)	(31)
Net profit/(loss)	659	(58)	(1236)	1,176	(1,484)	(179)
Attributable to:						
Shareholders of the Company	662	(148)	(547)	1,124	(1,610)	(170)
Minority interest	(3)	90	(103)	52	126	(59)
Net profit/(loss)	659	(58)	(1236)	1,176	(1,484)	(179)

1(a)(ii) Notes to income statements

The following items have been included in arriving at profit/(loss) from operations:

	Group			Group		
				6 months ended		
				30-Jun		
	Q2 2008	Q2 2007	Inc/(dec)	2008	2007	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of development costs and intellectual property	184	198	(7)	378	393	(4)
Depreciation of plant and equipment	359	515	(30)	743	1,020	(27)
Finance lease income	(1)	(19)	(94)	(4)	(38)	(89)
Foreign exchange (gain)/loss	(209)	(4)	5,126	(10)	243	(104)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

	Group	Group	Company	Company
	As at	As at	As at	As at
	30/6/2008	31/12/2007	30/6/2008	31/12/2007
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,647	2,179	15	8
Trade and other receivables	22,844	24,959	9,534	9,654
Finance lease receivables	20	145	-	-
Inventories	1,003	1,217	-	-
	25,514	28,500	9,549	9,662
Non-current assets				
Investment in an associated company	1,166	1,561	-	-
Investments in subsidiaries	-	-	22,526	22,526
Plant and equipment	2,872	3,533	10	15
Intangible assets	1,280	1,298	-	-
Deferred income tax assets	299	301	-	-
Trade and other receivables	1,315	1,321	-	-
	6,932	8,014	22,536	22,541
Total assets	32,446	36,514	32,085	32,203
LIABILITIES				
Current liabilities				
Trade and other payables	9,268	14,066	242	200
Current income tax liabilities	57	35	-	-
Borrowings	603	158	-	-
	9,928	14,259	242	200
Non-current liabilities				
Borrowings	13	18	-	-
Deferred income tax liabilities	71	75	-	-
	84	93	-	-
Total liabilities	10,012	14,352	242	200
Net assets	22,434	22,162	31,843	32,003
EQUITY				
Share capital	31,948	31,948	31,948	31,948
Foreign currency translation reserve	(1,423)	(520)	-	-
Retained earnings/(accumulated losses)	(8,232)	(9,356)	(105)	55
Shareholders' equity	22,293	22,072	31,843	32,003
Minority interest	141	90	-	-
	22,434	22,162	31,843	32,003

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group		Group	
As at 30/6/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
110	493	158	-

Amount repayable after one year

Group		Group	
As at 30/6/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
13	-	18	-

Details of any collateral

The Group's secured facilities comprise trade lines, bank overdraft and hire purchase facilities.

The trade lines and bank overdrafts are secured by way of:

- (i) corporate guarantee from a subsidiary in Singapore;
- (ii) corporate guarantee from the Company to banks for facilities extended to its wholly-owned subsidiaries; and
- (iii) a charge on fixed deposit of S\$239,240.

The hire purchase is secured by plant and equipment of a subsidiary with a net book value of RM26,000 (S\$11,000) (31.12.2007:S\$26,000).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Cash Flow Statement

			6 months ended 30 June	
	Q2 2008	Q2 2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Profit/(loss) before tax and after share of results of an associated company	662	(19)	1,209	(1,436)
Adjustments for:				
Amortisation of development costs and intellectual property	184	198	378	393
Depreciation of plant and equipment	359	517	743	1,022
Plant and equipment written off	9	-	9	2
Net (gain)/loss on disposals of plant and equipment	(1)	-	(2)	1
Interest expense	15	5	32	20
Interest income	(1)	(23)	(20)	(43)
Share of results of an associated company	(402)	(392)	(864)	(598)
Operating cash flow before working capital changes	824	286	1,485	(639)
Changes in operating assets and liabilities				
Inventories	106	572	215	158
Finance lease receivable	63	115	125	228
Trade and other receivables	(360)	(2,215)	(1,380)	(1,024)
Trade and other payables	69	1,019	(1,306)	792
Cash from/(used in) operations	702	(223)	(862)	(485)
Income tax (paid)/refund	(10)	40	(10)	161
Interest paid	(15)	(5)	(32)	(20)
Net cash flow from/(used in) operating activities	677	(188)	(904)	(344)
Cash flows from investing activities:				
Purchase of plant and equipment	(149)	(219)	(212)	(335)
Proceeds from disposals of plant and equipment	15	307	16	307
Development costs paid	(424)	-	(424)	-
Deposits placement with a licensed bank	-	-	(703)	-
Deposits withdrawal from a licensed bank	389	-	1,192	
Interest received	(0)	4	16	5
Dividend received from associated company	-	459	1,210	459
Net cash flow (used in)/from investing activities	(169)	551	1,095	436
Cash flows from financing activities:				
Finance lease income	1	19	4	38
Proceeds from borrowings	-	64	716	427
Repayments of borrowings	(235)	-	(278)	(50)
Repayments of finance leases	3	(12)	(13)	(23)
Payment of dividend to minority shareholders	-	(67)	-	(67)
Net cash flow (used in)/from financing activities	(231)	4	429	325

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

			6 months ended	
			30 June	
	Q2 2008	Q2 2007	2008	2007
	S\$'000	S\$'000	S\$'000	S\$'000
Net change in cash and cash equivalents	278	367	621	417
Cash and cash equivalents at beginning of the financial period	1,129	715	993	565
Effect of Foreign Exchange rate changes	(443)	43	(650)	143
Cash and cash equivalents at end of the financial period (Note 1)	964	1,125	964	1,125

Explanatory Notes:

Note 1

	As at 30 June	
	2008	2007
	S\$'000	S\$'000
Cash and cash equivalents	1,647	1,542
Bank overdrafts	(117)	(149)
Restricted deposits	(566)	(268)
Cash and cash equivalents per consolidated cash flow statement	964	1,125

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the 6 months ended 30 June 2008

	Issued and fully paid		Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Minority interest	Total
	Number of shares	Share capital				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Period ended 30/6/2008						
Group						
Balance at 1/4/2008	319,572,675	31,948	(753)	(8,894)	144	22,445
Foreign currency translation differences recognised directly in equity	-	-	(670)	-	-	(670)
Net profit/(loss) for the financial period	-	-	-	662	(3)	659
Total recognised income/ (expenses) for the financial period	-	-	(670)	662	(3)	(11)
Balance at 30/6/2008	319,572,675	31,948	(1,423)	(8,232)	141	22,434
Company						
Balance at 1/4/2008	319,572,675	31,948	-	(2)	-	31,946
Net loss for the financial period	-	-	-	(103)	-	(103)
Total recognised income/ (expenses) for the financial period	-	-	-	(103)	-	(103)
Balance at 30/6/2008	319,572,675	31,948	-	(105)	-	31,843

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Statement of Changes in Equity for the 6 months ended 30 June 2007

	Issued and fully paid		Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Minority interest	Total
	Number of shares	Share capital				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Period ended 30/6/2007						
Group						
Balance at 1/4/2007	319,572,675	31,948	(470)	(7,283)	176	24,371
Foreign currency translation differences recognised directly in equity	-	-	-	4	1	5
Net profit/(loss) for financial period	-	-	130	(152)	90	68
Dividends paid to minority shareholders	-	-	-	-	(68)	(68)
Total recognised income /(expenses) for the financial period	-	-	130	(148)	23	5
Balance at 30/6/2007	319,572,675	31,948	(340)	(7,431)	199	24,376
Company						
Balance at 1/4/2007	319,572,675	31,948	-	29	-	31,977
Net loss for the financial period	-	-	-	(101)	-	(101)
Total recognised income/ (expenses) for the financial period	-	-	-	(101)	-	(101)
Balance at 30/6/2007	319,572,675	31,948	-	(72)	-	31,876

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity for the 6 months ended 30 June 2008

	Issued and fully paid		Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Minority interest	Total
	Number of shares	Share capital				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Period ended 30/6/2008						
Group						
Balance at 1/1/2008	319,572,675	31,948	(520)	(9,356)	90	22,162
Foreign currency translation differences recognised directly in equity	-	-	(903)	-	(1)	(904)
Net profit/(loss) for the financial period	-	-	-	1,124	52	1,176
Total recognised income/ (expenses) for the financial period	-	-	(903)	1,124	51	272
Dividend paid to Minority Interest	-	-	-	-	-	-
Balance at 30/6/2008	319,572,675	31,948	(1,423)	(8,232)	141	22,434
Company						
Balance at 1/1/2008	319,572,675	31,948	-	55	-	32,003
Net loss for the financial period	-	-	-	(160)	-	(160)
Total recognised income/ (expenses) for the financial period	-	-	-	(160)	-	(160)
Balance at 30/6/2008	319,572,675	31,948	-	(105)	-	31,843

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

Statement of Changes in Equity for the 6 months ended 30 June 2007

	Issued and fully paid		Foreign currency translation reserve	Retained earnings/ (accumulated losses)	Minority interest	Total
	Number of shares	Share capital				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Period ended 30/6/2007						
Group						
Balance at 1/1/2007	319,572,675	31,948	(618)	(5,821)	139	25,648
Foreign currency translation differences recognised directly in equity	-	-	278	-	2	280
Net profit/(loss) for financial period	-	-	-	(1,610)	126	(1,484)
Dividends paid to minority shareholders	-	-	-	-	(68)	(68)
Total recognised income /(expenses) for the financial period	-	-	278	(1,610)	60	(1,272)
Balance at 30/6/2007	319,572,675	31,948	(340)	(7,431)	199	24,376
Company						
Balance at 1/1/2007	319,572,675	31,948	-	58	-	32,006
Transfer of share premium reserve to share capital			-	-	-	-
Balance at 1/1/2006 restated	319,572,675	31,948	-	58	-	32,006
Net loss for the financial period	-	-	-	(130)	-	(130)
Total recognised income/ (expenses) for the financial period	-	-	-	(130)	-	(130)
Balance at 30/6/2007	319,572,675	31,948	-	(72)	-	31,876

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous financial year reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the preceding year.

	Company	
	As at 30/6/2008	As at 31/12/2007
Ordinary shares	319,572,675	319,572,675

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period report on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have neither been audited nor reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation for the current financial year as compared to the most recent audited financial statements of the Group for the financial year ended 31 December 2007.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
			6 months ended 30 June	
	Q2 2008	Q2 2007	2008	2007
	cents	cents	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	0.21	(0.05)	0.35	(0.50)
On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾	n.a	n.a	n.a	n.a

n.a.: not applicable

⁽¹⁾ For comparative purposes, the earnings per ordinary share of the Group has been computed based on the net profit/(loss) after tax from the financial statements of the relevant financial period and the weighted average number of ordinary shares issued of 319,572,675 shares for Q2 2008 and Q2 2007.

⁽²⁾ Diluted earnings per share have not been calculated as no diluting events existed during these periods. No share options were granted to any employees during these periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year.

	As at 30/6/2008		As at 31/12/2007	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	6.98	9.96	6.91	10.01

⁽¹⁾ The net asset value per ordinary share of the Group and the Company has been computed based on the net asset value of the Group and the Company at the relevant financial period/year end and the existing issued share capital of 319,572,675 shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of results for the quarter ended 30 June 2008 as compared to corresponding quarter in 2007

Group revenue analysed by business segment for the quarter under review is as follows: -

	Q2 2008 S\$'000	Sales mix %	Q2 2007 S\$'000	Sales mix %
Proprietary Solutions	1,956	81	3,445	67
Distribution	124	5	855	17
Operation Support Systems (OSS)	325	14	848	16
Total	2,405	100	5,148	100

The Group achieved revenue of S\$2.4 million for the quarter, representing a decrease of 53% on the revenue achieved in the corresponding period in 2007. The lower revenue achieved in the current quarter is attributable to lower revenue achieved by all business segments of the Group. The decrease in revenue of both the Group's Proprietary Solutions and OSS segments is attributable to lower system sale revenues recorded during the current quarter that had more than offset a steady increase in revenue earned from the Proprietary Solution segment's revenue-share projects. The Group's Distribution segment meanwhile recorded the highest decline in revenue, a decrease that reflects the progressive scaling down of this business segment's operations as initiated in the immediately preceding quarter.

In spite of the lower revenue achieved by the Group in the current quarter as compared to the corresponding period in 2007, the Group delivered a significant improvement in profitability. For the current quarter, the Group recorded a net profit after taxation of S\$0.7 million, and earnings before interest, tax, depreciation ("EBITDA") of S\$1.2 million, as compared to a net loss of S\$0.6 million and EBITDA of S\$0.7 million respectively, for the corresponding period in 2007.

This improvement in the profit performance of the Group in the current quarter has been driven by the following factors:

- * The steady growth in higher-margin revenues earned from revenue-share projects and higher quality system / solution sale revenues of the Group's Proprietary Solutions segment. This more profitable revenue mix resulted in gross profit earned by the Group in the current quarter being only S\$0.1 million lower than that achieved in the corresponding quarter in 2007, in spite of the significantly lower revenue recorded in the current quarter;
- * The significant reduction in operating expenses of the Group in the current quarter, amounting to a decrease of 40% or S\$0.8 million from the operating expenses incurred in the corresponding quarter in 2007. This sizeable reduction in operating expenses of the Group was secured through the further expense reductions secured in the operations of the Proprietary Solutions segment, as well as substantial reductions in the operating expenses of the Distribution segment, associated with the further scaling down of operations of this segment in the current quarter; and
- * A net foreign exchange gain of S\$0.2 million recorded in the current quarter, attributable primarily to revaluation gains from US Dollar assets of the Group. In comparison, in the corresponding quarter of 2007, an insignificant gain was recorded for the same.

Review of results for the six month period ended 30 June 2008 as compared to corresponding period in 2007

Group revenue analysed by business segment for the first half under review is as follows: -

	YTD June 2008 S\$'000	Sales mix %	YTD June 2007 S\$'000	Sales mix %
Proprietary Solutions	7,835	91	4,180	55
Distribution	213	2	2,352	31
Operation Support Systems (OSS)	575	7	1,014	13
Total	8,623	100	7,546	100

The Group achieved revenue of S\$8.6 million for the first half of 2008, representing an increase of 14% on the revenue achieved in the corresponding period in 2007. The higher revenue achieved in the current half is attributable to significantly higher revenue achieved by the Proprietary Solutions segment of the Group during the quarter ended 31 March 2008. This increase in revenue of Proprietary Solutions segment had more than offset the lower revenue achieved by the OSS segment in the current half, as well as the significant decrease in the Distribution segment's revenue. The decrease in revenue recorded by the Distribution segment is reflective of the progressive scaling down of this business segment's operations as initiated in the quarter ended 31 March 2008.

This improvement in Proprietary Solution segment revenue was however offset by the dip in revenue from both the Group's Distribution and OSS segments.

In tandem with the increase in revenue and gross profit achieved by the Group in the current half as compared to the corresponding period in 2007, the Group delivered a significant improvement in profitability. For the current half, the Group recorded a net profit after taxation of S\$1.2 million, and earnings before interest, tax, depreciation ("EBITDA") of S\$2.3 million, as compared to a net loss of S\$1.5 million and negative EBITDA of S\$0.03 million respectively, for the corresponding period in 2007.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (continued)

This improvement in the profit performance of the Group in the current half is attributable primarily to the following factors:

- * The significant growth in revenue of the Proprietary Solutions segment, driven by both revenues earned from revenue-share as well as system/ solution sale projects relating to both the segment's own VAS and mobile data software products / solutions as well as for the Mobile Number Portability project in Malaysia;
- * The significant growth in gross profits of the Proprietary Solutions segment driven by a more favourable revenue mix. This more profitable revenue mix resulted in gross profit earned by the Group in the current half being S\$3.7 million, representing an increase of 67% or S\$1.5 million on that achieved in the corresponding half in 2007; and
- * The significant reduction in operating expenses of the Group in the current half, amounting to a decrease of 22% or S\$1.0 million from the operating expenses incurred in the corresponding half in 2007. This sizeable reduction in operating expenses of the Group was secured through the further expense reductions secured in the operations of the Proprietary Solutions segment, as well as substantial reductions in the operating expenses of the Distribution segment, associated with the scaling down of operations of this segment in the current half.

Review of the Group's financial position as at 30 June 2008 as compared to the Group's financial position as at 31 December 2007

Current assets decreased by S\$3.0 million or 10.4% from S\$28.5 million as at 31 December 2007 to S\$25.5 million as at 30 June 2008. This decrease is mainly attributable to the decrease in trade and other receivables as a result of receipt of payments from trade debtors.

Total non-current assets of the Group decreased by S\$1.1 million or 13.5%, compared to the balance as at 31 December 2007 of S\$8.0 million. This decrease is mainly attributable to the lower investment in an associated company, as a result of dividend distributed by the associated company, depreciation charges for Plant and Equipment and amortisation charges for intangibles.

Total liabilities of the Group decreased by S\$4.3 million (or 30.2%), as at 30 June 2008, from S\$14.4 million as at 31 December 2007. The decrease is mainly due to the reduction in trade and other payables by S\$4.8 million. The reduction is however offset by the increase in short term borrowings by approximately S\$0.4 million to finance the working capital.

Review of the Group's cash flow for the quarter and six-month period ended 30 June 2008 as compared to the Group's cash flow for the corresponding periods in 2007

The Group's cash from operations for the current quarter increased by S\$0.9 million, compared to the negative cash from operations of S\$0.2 million for the corresponding quarter in 2007. This increase in cash from operations is mainly attributable to the improvement in operating cash flow before working capital changes and a decrease in trade and other receivables. However, cash from operations for the first half of 2008 decreased by S\$0.6 million, compared to the negative cash from operations of S\$0.3 million for the corresponding period in 2007. The decrease is mainly due to the decrease in trade and other payables.

Operating cash flow before working capital changes for the first half of 2008 however, increased by S\$0.7 million from the negative operating cash flow of S\$0.6 million of the corresponding half in 2007. This increase in operating cash flow is mainly due to the improvement in profitability of the Group.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No profit forecast has been issued for the financial year under review.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Barring any unforeseen circumstances, the Directors remain cautiously optimistic about the Group's long-term prospects.

The Group will continue to strive towards maintaining profitability guided by strategies that have been mapped out. Focus will continue to be given on growing the Proprietary Solutions and OSS business segments. This will involve, among others, continuously strengthening the Group's position within the following businesses and markets:

- * mobile data and value-added services ("VAS") solution/applications and businesses;
- * recurring revenue streams via managed services business; and
- * participating in the growth of developing and emerging telecommunications markets such as South East Asia, South Asia and the Middle East.

As part of executing the strategy to focus primarily on growing the Proprietary Solutions and OSS business segments, the Group will be discontinuing the operations of its non-profitable Distribution business segment. The Directors believe that this decision will enable the Group to, from the quarter ended 30 September 2008 onwards, redirect its resources and efforts exclusively to realizing the further growth potential of the Proprietary Solutions and OSS business segments.

The Directors believe that the Group's efforts to execute its three key strategies for growth and development are showing some early results. On the back of the positive results achieved during the quarter, the Directors believe that the Group will continue to make progress in improving its future performance and financial results.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared or recommended for the period ended 30 June 2008.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales.

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

17. Interested Person Transactions

Name of the Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Nil	Nil	Nil

BY ORDER OF THE BOARD

Anton Syazi Ahmad Sebi
Deputy Chief Executive Officer
14th August 2008