

UNIFIED COMMUNICATIONS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company registration no.: 200211129W)

**First Quarter Financial Statements and Dividend Announcement
for the Period Ended 31 March 2010**
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 first quarter ended 31 March 2010

Consolidated Income Statement

| | Group | | |
|--|----------------------|--------------|-----------|
| | Quarter ended 31 Mar | | |
| | 2010 | 2009 | Inc/(dec) |
| | S\$'000 | S\$'000 | % |
| Revenue | 5,042 | 4,652 | 8 |
| Cost of sales | (2,797) | (2,921) | (4) |
| Gross profit | 2,245 | 1,731 | 30 |
| Other operating income | 401 | 412 | (3) |
| Expenses: | | | |
| Technical support expenses | (622) | (867) | (28) |
| Distribution costs | (424) | (283) | 50 |
| Administrative expenses | (472) | (397) | 19 |
| Other operating expenses | (617) | (133) | 364 |
| Finance costs | - | (1) | (100) |
| Share of profit from an equity-accounted associate | 278 | 316 | (12) |
| Profit before income tax | 789 | 778 | 1 |
| Income tax expenses | (18) | (9) | 98 |
| Profit for the year | 771 | 769 | 0 |
| Profit attributable to: | | | |
| Owners of the Company | 311 | 720 | (57) |
| Non-controlling interest | 460 | 49 | 838 |
| Profit for the year | 771 | 769 | 0 |

Consolidated Statement of Comprehensive Income

| | Group | | |
|---|----------------------|------------|------------|
| | Quarter ended 31 Mar | | |
| | 2009 | 2008 | Inc/(dec) |
| | S\$'000 | S\$'000 | % |
| Profit for the year | 771 | 769 | 0 |
| Other comprehensive income: | | | |
| Exchange difference on translating foreign operations | 1,307 | (85) | (1638) |
| Total comprehensive income for the year | 2,078 | 684 | 204 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | 1,580 | 620 | 155 |
| Non-controlling interest | 499 | 64 | 679 |
| Total comprehensive income for the year | 2,078 | 684 | 204 |

1(a)(ii) Notes to income statement

The following items have been included in arriving at profit from operations:

| | Group | | |
|---|----------------------|---------|-----------|
| | Quarter ended 31 Mar | | |
| | 2010 | 2009 | Inc/(dec) |
| | S\$'000 | S\$'000 | % |
| Other operating income, comprising: | | | |
| Foreign exchange gain | 330 | 295 | 12 |
| Interest Income | 45 | 51 | (12) |
| Other operating expenses, comprising: | | | |
| Amortisation of development costs and intellectual property | (159) | (83) | 92 |
| Depreciation of plant and equipment | (143) | (271) | (47) |
| Foreign exchange loss | (495) | (126) | 293 |
| Impairment loss on plant and equipment | (117) | - | 100 |
| Plant and equipment written off | (1) | - | 100 |

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 |
| | 31/3/2010 | 31/12/2009 | 31/3/2010 | 31/12/2009 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Plant and equipment | 4,002 | 3,905 | - | - |
| Intangible assets | 2,777 | 2,390 | - | - |
| Investments in subsidiaries | - | - | 32,734 | 32,734 |
| Investment in an associate | 1,121 | 808 | - | - |
| Deferred income tax assets | 311 | 311 | - | - |
| Trade and other receivables | 2,887 | 2,851 | - | - |
| Total non-current assets | 11,098 | 10,265 | 32,734 | 32,734 |
| Current assets | | | | |
| Inventories | 280 | 212 | - | - |
| Trade and other receivables | 4,692 | 9,314 | 3,810 | 3,850 |
| Cash and cash equivalents | 20,414 | 15,019 | 3 | 19 |
| Total current assets | 25,386 | 24,545 | 3,813 | 3,869 |
| Total assets | 36,484 | 34,810 | 36,547 | 36,603 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 31,948 | 31,948 | 31,948 | 31,948 |
| Accumulated losses | (3,657) | (3,968) | (472) | (402) |
| Foreign currency translation reserve | (674) | (1,942) | - | - |
| Equity attributable to owners of the Company | 27,617 | 26,038 | 31,476 | 31,546 |
| Non-controlling interest | 1,118 | 660 | - | - |
| Total equity | 28,735 | 26,698 | 31,476 | 31,546 |
| Non-current liabilities | | | | |
| Deferred income tax liabilities | 57 | 54 | - | - |
| Borrowings | 2 | 3 | - | - |
| Total non-current liabilities | 59 | 57 | - | - |
| Current liabilities | | | | |
| Current income tax liabilities | 29 | 29 | - | - |
| Trade and other payables | 7,654 | 8,019 | 5,071 | 5,057 |
| Borrowings | 7 | 7 | - | - |
| Total current liabilities | 7,690 | 8,055 | 5,071 | 5,057 |
| Total liabilities | 7,749 | 8,112 | 5,071 | 5,057 |
| Total equity and liabilities | 36,484 | 34,810 | 36,547 | 36,603 |

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 31/3/2010 | | As at 31/12/2009 | |
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 7 | - | 7 | - |

Amount repayable after one year

| Group | | Group | |
|-----------------|-----------|------------------|-----------|
| As at 31/3/2010 | | As at 31/12/2009 | |
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 2 | - | 8 | - |

Details of any collateral

The Group's secured facility represents of hire purchase facility.

The hire purchase facility is secured by a right over the leased motor vehicle of a subsidiary with a net book value of nil (31/12/2009: nil).

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 Statement of Cash Flow

| | Quarter ended | |
|---|---------------|--------------|
| | 31 Mar | |
| | 2010 | 2009 |
| | S\$'000 | S\$'000 |
| Operating activities: | | |
| Profit before income tax | 789 | 779 |
| Adjustments for: | | |
| Amortisation of development costs and intellectual property | 159 | 83 |
| Depreciation of plant and equipment | 143 | 271 |
| Impairment loss on plant and equipment | 117 | - |
| Plant and equipment written off | 1 | - |
| Interest expense | - | 1 |
| Interest income | (45) | (51) |
| Share of profit from an equity-accounted associate | (278) | (316) |
| | | |
| Operating cash flow before movement in working capital | 886 | 767 |
| Changes in operating assets and liabilities | | |
| Inventories | (87) | (147) |
| Trade and other receivables | 4,466 | 3,079 |
| Trade and other payables | (348) | (1,611) |
| | | |
| Cash generated from operations | 4,917 | 2,088 |
| Income tax paid | (16) | (1) |
| Interest paid | - | (1) |
| Net cash from operating activities | 4,901 | 2,086 |
| | | |
| Investing activities: | | |
| Purchase of plant and equipment | (362) | (658) |
| Proceeds from disposals of plant and equipment | 5 | 7 |
| Development costs paid | (416) | (122) |
| Interest received | 45 | 51 |
| Dividend received from an equity-accounted associate | - | 916 |
| Net cash (used in)/from investing activities | (727) | 194 |
| | | |
| Financing activities: | | |
| Dividend paid by a subsidiary to non-controlling interest | (41) | - |
| Repayments of finance leases | (2) | (2) |
| Net cash used in financing activities | (43) | (2) |

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)

| | Quarter ended | |
|---|---------------|---------|
| | 31 Mar | |
| | 2010 | 2009 |
| | S\$'000 | S\$'000 |
| Net change in cash and cash equivalents | 4,131 | 2,278 |
| Cash and cash equivalents at beginning of the financial year (Note 1) | 14,991 | 9,911 |
| Effect of exchange rate changes on cash and cash equivalents | 1,264 | (69) |
| Cash and cash equivalents at end of the financial period (Note 1) | 20,387 | 12,120 |

Explanatory Notes:

Note 1

| | 31 Mar | |
|--|---------|---------|
| | 2009 | 2008 |
| | S\$'000 | S\$'000 |
| Cash and cash equivalents | 20,414 | 12,209 |
| Bank overdrafts | - | - |
| Restricted deposits | (28) | (89) |
| Cash and cash equivalents per consolidated cash flow statement | 20,387 | 12,120 |

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 First Quarter ended 31 March 2010

| | Issued and fully paid | | Foreign currency translation reserve | Retained earnings/ (accumulated losses) | Equity attributable to owners of the Company | Non-Controlling Interest | Total |
|---|-----------------------|---------------|--------------------------------------|---|--|--------------------------|---------------|
| | Number of shares | Share capital | | | | | |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial Period ended 31/3/2010 | | | | | | | |
| Group | | | | | | | |
| Balance at 1/1/2010 | 319,572,675 | 31,948 | (1,942) | (3,968) | 26,038 | 660 | 26,698 |
| Total comprehensive income/ (expenses) for the financial period | - | - | 1,268 | 311 | 1,579 | 499 | 2,078 |
| Dividend paid to Non-Controlling interest | - | - | - | - | - | (41) | (41) |
| Balance at 31/3/2010 | 319,572,675 | 31,948 | (674) | (3,657) | 27,617 | 1,118 | 28,735 |
| Company | | | | | | | |
| Balance at 1/1/2010 | 319,572,675 | 31,948 | - | (402) | 31,546 | - | 31,546 |
| Total comprehensive income/ (expenses) for the financial period | - | - | - | (70) | (70) | - | (70) |
| Balance at 31/3/2010 | 319,572,675 | 31,948 | - | (472) | 31,476 | - | 31,476 |

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 first Quarter ended 31 March 2009

| | Issued and fully paid | | Foreign currency translation reserve | Retained earnings/ (accumulated losses) | Equity attributable to owners of the Company | Non-Controlling Interest | Total |
|---|-----------------------|------------------|---|--|---|-----------------------------|---------------|
| | Number of shares | Share capital | | | | | |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Financial Period ended 31/3/2009 | | | | | | | |
| Group | | | | | | | |
| Balance at 1/1/2009 | 319,572,675 | 31,948 | (1,435) | (6,868) | 23,645 | 321 | 23,966 |
| Total comprehensive income/ (expenses) for the financial period | - | - | (100) | 720 | 620 | 64 | 684 |
| Balance at 31/3/2009 | 319,572,675 | 31,948 | (1,535) | (6,148) | 24,265 | 385 | 24,650 |
| Company | | | | | | | |
| Balance at 1/1/2009 | 319,572,675 | 31,948 | - | (89) | 31,859 | - | 31,859 |
| Total comprehensive income/ (expenses) for the financial period | - | - | - | (31) | (31) | - | (31) |
| Balance at 31/3/2009 | 319,572,675 | 31,948 | - | (120) | 31,828 | - | 31,828 |

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 31/3/2010 | As at 31/12/2009 |
| 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 adopted the same accounting policies and methods of computation in the financial statements for the current quarter as those applied in their audited financial statements for the year ended 31 December 2009 except that the Group has adopted new Financial Reporting Standards (FRS) which became effective on 1 January 2010.

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 | |
|--|-------------------------|-------|
| | 3 months ended 31 March | |
| | 2010 | 2009 |
| | cents | cents |
| Based on the weighted average number of ordinary shares on issue ⁽¹⁾ | 0.10 | 0.23 |
| On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾ | 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 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 quarter ended 31 March 2010 and 2009.

⁽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 31/3/2010 | | As at 31/12/2009 | |
|---|-----------------|---------------|------------------|---------------|
| | Group cents | Company cents | Group cents | Company cents |
| Net asset value per ordinary share ⁽¹⁾ | 8.64 | 9.85 | 8.15 | 9.87 |

⁽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 first quarter ended 31 March 2010 as compared to corresponding quarter ended 31 March 2009

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

| | 2010 S\$'000 | Sales mix % | 2009 S\$'000 | Sales mix % |
|---|-----------------|----------------|-----------------|----------------|
| Mobile Technology (TECH BU) | 1,441 | 29 | 2,134 | 46 |
| Mobile Value-Added-Service (VAS BU) | 894 | 18 | 1,023 | 22 |
| Less: Inter-segment sales | (174) | (3) | (30) | (1) |
| Proprietary Solutions | 2,162 | 43 | 3,127 | 67 |
| Operation Support Systems (OSS BU) | 3,131 | 62 | 1,775 | 38 |
| Less: Inter-segment sales | (251) | (5) | (250) | (5) |
| Total | 5,042 | 100 | 4,652 | 100 |

The Group achieved consolidated revenue of S\$5.0 million for the quarter ended 31 March 2010, representing an increase of 8% compared to revenue recorded for the corresponding quarter ended 31 March 2009. The higher revenue achieved in the period under review is mainly attributable to the higher revenue contributed by OSS BU. However, the increased revenue of OSS BU for 2010 has been partially offset by lower revenue recorded by both TECH BU and VAS BU.

Despite the 8.4% increase in revenue, the Group recorded a marginal increase in net profit after taxation of S\$0.7 million, representing a 0.3% increase, and flat EBITDA of S\$1.1 million, as compared to a net profit of S\$0.7 million and EBITDA of S\$1.1 million respectively, for the corresponding quarter ended 31 March 2009. This is mainly attributable to:-

- * A net foreign exchange loss of S\$0.2 million recorded in the current quarter, primarily due to revaluation loss associated with SGD and USD denominated assets in MYR reporting subsidiaries. In comparison, a net foreign exchange gain of S\$0.2 million was recorded in the corresponding quarter in 2009.
- * An increase in amortisation charges to S\$0.1 million as a result of certain intellectual property having been successfully developed and being available for use or sale in 2010 and also the impairment loss of plant and equipment recorded in the quarter. However, the increased amortisation charges and impairment loss are partially mitigated by the decrease in depreciation charges in 2010 given that certain plant and equipment had reached the end of their estimated useful lives in late 2009.

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)

Review of the Group's financial position as at 31 March 2010 as compared to the Group's financial position as at 31 December 2009

Current assets increased by S\$0.8 million or 3% from S\$24.5 million as at 31 December 2009 to S\$25.4 million as at 31 March 2010. This increase is mainly attributable to the improvement in cash and cash equivalents held by the Group to S\$20.4 million as at 31 March 2010, from S\$15.0 million as at 31 December 2009. This is mainly contributed by the improvement in receipts from trade and other receivables evident by a decrease of S\$4.6 million in receivables balance as at 31 March 2010.

Total non-current assets of the Group increased by S\$0.8 million or 8%, from S\$10.3 million as at 31 December 2009 to S\$11.1 million as at 31 March 2010. This increase is mainly attributable to intangible assets increasing by S\$0.4 million as a result of investment in intellectual property and increased investment in an associated company arising from S\$0.3 million of profit shared during current quarter.

Total liabilities of the Group decreased by S\$0.4 million (or 4%) from S\$8.1 million as at 31 December 2009 to \$7.7 million as at 31 March 2010. The decrease is mainly due to a reduction in trade and other payables.

Review of the Group's cash flow as at 31 March 2010 as compared to the Group's cash flow as at 31 March 2009

The Group's Cash from operations for the quarter under review was S\$4.9 million, compared to S\$2.1 million for the corresponding quarter 2009. This increase in cash from operations is mainly attributable to the increase in collections from trade and other receivables, and a decrease in payment of trade and other payables.

Operating cash flow before working capital changes for the quarter under review increased to S\$0.8 million as compared to S\$0.7 million for the corresponding quarter 2009. This increase in operating cash flow is mainly due to higher profit from operations in 2010.

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 period 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 optimistic about the Group's long-term prospects.

The Directors believe that the Group's efforts to execute its three key strategies for growth and development are showing positive results. On the back of the positive results achieved in 2008 and 2009, the Directors believe that the Group will continue to make progress in improving its future performance and financial results.

The Group will continue to strive towards maintaining profitability guided by strategies that have been mapped out. Focus will continue to be given on:-

- * 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.

11. Dividend**(a) Current Financial Year 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/recommended, a statement to that effect.

No dividend has been declared or recommended for the period ended 31 March 2010.

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 year 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
13 May 2010