UNIFIED COMMUNICATIONS HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company registration no.: 200211129W)

Third Quarter Financial Statements and Dividend Announcement
for the Period Ended 30 September 2012

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 third quarter ended 30 September 2012

Consolidated Income Statement

	Group			Group		
	Quarter ended 30 September			9 months ended 30 September		
	Q3 2012	Q3 2011	Inc/(dec)	2012	2011	Inc/(dec)
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	**3,604**	**3,251**	**11**	**11,938**	**10,440**	**14**
Cost of sales	(1,337)	(1,431)	(7)	(4,931)	(5,049)	(2)
Gross profit	**2,267**	**1,820**	**25**	**7,007**	**5,391**	**30**
Other operating income	169	282	(40)	5,897	661	792
Expenses:						
Technical support expenses	(710)	(771)	(8)	(2,366)	(2,184)	8
Distribution costs	(560)	(460)	22	(1,556)	(1,387)	12
Administrative expenses	(537)	(606)	(11)	(1,713)	(1,638)	5
Other operating expenses	(117)	56	(308)	(470)	(90)	422
Share of profit from an equity-accounted associate	(0)	295	(100)	48	856	(94)
Profit before income tax	**512**	**616**	**(17)**	**6,847**	**1,609**	**326**
Income tax expenses	(87)	(95)	(9)	(229)	(127)	81
Profit for the period	**425**	**521**	**(18)**	**6,618**	**1,482**	**347**
Profit attributable to:						
Owners of the Company	379	452	(16)	6,399	1,190	438
Non-controlling interest	46	69	(33)	219	292	(25)
Profit for the period	**425**	**521**	**(18)**	**6,618**	**1,482**	**347**

Consolidated Statement of Comprehensive Income

	Group			Group		
	Quarter ended 30 September			9 months ended 30 September		
	Q3 2012	Q3 2011	Inc/(dec)	2012	2011	Inc/(dec)
	S$'000	S$'000	%	S$'000	S$'000	%
Profit for the period	425	521	(18)	6,618	1,482	347
Other comprehensive income:						
Exchange difference on translating foreign operations	46	83	(44)	(394)	(681)	42
Total comprehensive income for the period	**471**	**604**	**(22)**	**6,225**	**801**	**677**
Total comprehensive income attributable to:						
Owners of the Company	425	532	(20)	5,983	525	1040
Non-controlling interest	46	72	(36)	242	276	(12)
Total comprehensive income for the period	**471**	**604**	**(22)**	**6,225**	**801**	**677**

1(a)(ii) Notes to income statement

Profit after tax is stated after (charging)/crediting the following items:

	Group			Group		
	Quarter ended 30 September			9 months ended 30 September		
	Q3 2012	Q3 2011	Inc/(dec)	2012	2011	Inc/(dec)
	S$'000	S$'000	%	S$'000	S$'000	%
Other operating income, comprising:						
Foreign exchange gain	42	23	82	309	138	124
Write back of allowance for inventory obsolescence	-	-	-	-	8	(1)
Interest income	127	258	(51)	196	410	(52)
Fair value gain on remeasurement of the Group's 40% equity interest in an associate	-	-	-	5,339	-	100
(Loss)/Gain on disposal of plant and equipment	(3)	-	100	33	-	100
Gain on disposal of a subsidiary	-	-	100	-	83	(1)
Other operating expenses, comprising:						
Amortisation of development costs and intellectual property	(218)	(180)	21	(695)	(511)	36
Depreciation of plant and equipment	(239)	(121)	98	(750)	(426)	76
Foreign exchange (loss)/gain	(105)	59	(278)	(436)	(77)	466
Loss on disposal of property, plant and equipment	-	-	-	-	(1)	100
Plant and equipment written off	1	-	100	(3)	-	100
Income tax expenses:						
Current income tax	73	86	(16)	215	118	83
Under provision in prior years	14	9	58	14	9	58

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 As at 30/09/2012 S$'000	Group As at 31/12/2011 S$'000	Company As at 30/09/2012 S$'000	Company As at 31/12/2011 S$'000
ASSETS				
Non-current assets				
Plant and equipment	3,500	3,846	-	-
Investment property	3,558	3,630	-	-
Intangible assets	16,944	3,765	-	-
Investments in subsidiaries	-	-	32,734	32,734
Investment in an associate	-	798	-	-
Deferred income tax assets	41	42	-	-
Trade and other receivables	862	880	-	-
Other assets	173	173	-	-
Total non-current assets	**25,078**	**13,134**	**32,734**	**32,734**
Current assets				
Inventories	118	94	-	-
Trade and other receivables	5,837	6,351	6,059	6,451
Cash and cash equivalents	11,636	15,083	17	37
Total current assets	**17,591**	**21,528**	**6,076**	**6,488**
Total assets	**42,669**	**34,662**	**38,810**	**39,222**
EQUITY AND LIABILITIES				
Equity				
Share capital	31,948	31,948	31,948	31,948
Retained earnings/(accumulated losses)	5,297	(623)	6,735	6,704
Foreign currency translation reserve	(2,246)	(1,830)	-	-
Equity attributable to owners of the Company	**34,999**	**29,495**	**38,683**	**38,652**
Non-controlling interest	1,455	1,273	-	-
Total equity	**36,454**	**30,768**	**38,683**	**38,652**
Non-current liabilities				
Other payables	3,941	-	-	-
Deferred income tax liabilities	24	25	-	-
Total non-current liabilities	**3,965**	**25**	**-**	**-**
Current liabilities				
Current income tax liabilities	9	7	-	-
Trade and other payables	2,241	3,862	127	570
Total current liabilities	**2,250**	**3,869**	**127**	**570**
Total liabilities	**6,215**	**3,894**	**127**	**570**
Total equity and liabilities	**42,669**	**34,662**	**38,810**	**39,222**

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 30/9/2012		As at 31/12/2011	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

Group		Group	
As at 30/9/2012		As at 31/12/2011	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Details of any collateral

Not applicable

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

Consolidated Statement of Cash Flow

			Group	
			9 months ended 30 September	
	Q3 2012	Q3 2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Operating activities:				
Profit before income tax	512	616	6,847	1,609
Adjustments for:				
Amortisation of development costs and intellectual property	218	180	695	511
Depreciation of plant and equipment	239	121	750	426
Gain on disposal of a subsidiary	-	-	-	(83)
Plant and equipment written off	(1)	-	3	
Write back of allowance for inventory obsolescence	-	-	-	(8)
Loss/(Gain) on disposals of plant and equipment	3	-	(33)	1
Interest income	(127)	(258)	(196)	(410)
Fair value gain on remeasurement of the Group's 40% equity interest in an associate	-	-	(5,339)	-
Share of profit from an equity-accounted associate	0	(295)	(48)	(856)
Operating cash flow before movement in working capital	**844**	**364**	**2,679**	**1,190**
Changes in operating assets and liabilities				
Inventories	103	(125)	(9)	(66)
Trade and other receivables	725	985	1,659	2,344
Trade and other payables	(719)	(893)	(1,957)	(1,359)
Cash generated from operations	**953**	**331**	**2,372**	**2,109**
Income tax paid	(68)	(42)	(248)	(61)
Net cash from operating activities	**885**	**289**	**2,124**	**2,048**
Investing activities:				
Purchase of plant and equipment	(135)	(255)	(355)	(3,611)
Proceeds from disposals of plant and equipment	-	6	41	6
Acquisition of a subsidiary, net of cash acquired	-	-	(4,047)	-
Disposal of subsidiary, net of cash disposed	-	-	-	(4)
Development costs paid	(258)	(246)	(678)	(964)
Deposits withdrawal/(placement) with licensed banks	173	-	(3,431)	(155)
Interest received	127	258	196	410
Dividend received from an equity-accounted associate	-	569	-	1,643
Net cash (used in) / from investing activities	**(93)**	**332**	**(8,274)**	**(2,675)**
Financing activities:				
Dividend paid by a subsidiary to non-controlling interest	(60)	-	(60)	(81)
Dividend paid to equity holders of the Company	(479)	(320)	(479)	(320)
Net cash used in financing activities	**(539)**	**(320)**	**(539)**	**(401)**

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

			Group	
			9 months ended 30 September	
	Q3 2012	Q3 2011	2012	2011
	S$'000	S$'000	S$'000	S$'000
Net change in cash and cash equivalents	**253**	**301**	**(6,689)**	**(1,028)**
Cash and cash equivalents at beginning of the financial period/year (Note 1)	**7,129**	**15,247**	**14,303**	**17,195**
Effect of exchange rate changes on cash and cash equivalents	**49**	**52**	**(183)**	**(567)**
Cash and cash equivalents at end of the financial period (Note 1)	**7,431**	**15,600**	**7,431**	**15,600**

Explanatory Notes:

Note 1

	Group	
	9 months ended 30 September	
	2012	2011
	S$'000	S$'000
Cash and cash equivalents	11,636	15,781
Restricted deposits	(4,205)	(181)
Cash and cash equivalents per consolidated cash flow statement	**7,431**	**15,600**

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 Third Quarter ended 30 September 2012

	Issued and fully paid						
	Number of shares	Share capital	Foreign currency translation reserve	Retained earnings	Sub-Total	Non-Controlling Interest	Total
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Financial period ended 30/9/2012 **Group**							
Balance at 1/7/2012	319,572,675	31,948	(2,292)	5,397	35,053	1,469	36,522
Total comprehensive income/ (expenses) for the financial period	-	-	46	379	425	46	471
Dividend paid to equity holders of the Company	-	-	-	(479)	(479)	-	(479)
Dividend paid to Non-controlling interest	-	-	-	-	-	(60)	(60)
Balance at 30/9/2012	**319,572,675**	**31,948**	**(2,246)**	**5,297**	**34,999**	**1,455**	**36,454**
Company							
Balance at 1/7/2012	319,572,675	31,948	-	6,643	38,591	-	38,591
Total comprehensive income/ (expenses) for the financial period	-	-	-	571	571	-	571
Dividend paid to equity holders of the Company	-	-	-	(479)	(479)	-	(479)
Balance at 30/9/2012	**319,572,675**	**31,948**	**-**	**6,735**	**38,683**	**-**	**38,683**

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 Third Quarter ended 30 September 2011

	Issued and fully paid						
	Number of shares	Share capital	Foreign currency translation reserve	(Accumulated losses) / retained earnings	Sub-Total	Non-Controlling Interest	Total
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Financial period ended 30/9/2011 **Group**							
Balance at 1/7/2011	319,572,675	31,948	(2,043)	(1,483)	28,422	1,230	29,652
Total comprehensive income/ (expenses) for the financial period	-	-	80	452	532	72	604
Dividend paid to equity holders of the Company	-	-	-	(320)	(320)	-	(320)
Balance at 30/9/2011	**319,572,675**	**31,948**	**(1,963)**	**(1,351)**	**28,634**	**1,302**	**29,936**
Company							
Balance at 1/7/2011	319,572,675	31,948	-	6,278	38,226	-	38,226
Total comprehensive income/ (expenses) for the financial period	-	-	-	1,001	1,001	-	1,001
Dividend paid to equity holders of the Company	-	-	-	(320)	(320)	-	(320)
Balance at 30/9/2011	**319,572,675**	**31,948**	**-**	**6,959**	**38,907**	**-**	**38,907**

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 9 months ended 30 September 2012

	Issued and fully paid						
	Number of shares	Share capital	Foreign currency translation reserve	(Accumulated losses) / retained earnings	Equity attributable to owners of the Company	Non-controlling Interest	Total
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Financial period ended 30/9/2012 **Group**							
Balance at 1/1/2012	319,572,675	31,948	(1,830)	(623)	29,495	1,273	30,768
Total comprehensive income/ (expenses) for the financial period	-	-	(416)	6,399	5,983	242	6,225
Dividend paid to equity holders of the Company	-	-	-	(479)	(479)	-	(479)
Dividend paid to Non-controlling interest	-	-	-	-	-	(60)	(60)
Balance at 30/9/2012	**319,572,675**	**31,948**	**(2,246)**	**5,297**	**34,999**	**1,455**	**36,454**
Company							
Balance at 1/1/2012	319,572,675	31,948	-	6,704	38,652	-	38,652
Total comprehensive income/ (expenses) for the financial period	-	-	-	510	510	-	510
Dividend paid to equity holders of the Company	-	-	-	(479)	(479)	-	(479)
Balance at 30/9/2012	**319,572,675**	**31,948**	**-**	**6,735**	**38,683**	**-**	**38,683**

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 9 months ended 30 September 2011

	Issued and fully paid						
	Number of shares	**Share capital**	**Foreign currency translation reserve**	**(Accumulated losses) / retained earnings**	**Equity attributable to owners of the Company**	**Non-controlling Interest**	**Total**
		S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Financial period ended 30/6/2011 **Group**							
Balance at 1/1/2011	319,572,675	31,948	(1,381)	(2,221)	28,346	1,029	29,375
Total comprehensive income/ (expenses) for the financial period	-	-	(582)	1,190	608	276	884
Disposal of subsidiary	-	-	-	-	-	78	78
Dividend paid to equity holders of the Company				(320)	(320)	-	(320)
Dividend paid to Non-controlling interest	-	-	-	-	-	(81)	(81)
Balance at 30/9/2011	**319,572,675**	**31,948**	**(1,963)**	**(1,351)**	**28,634**	**1,302**	**29,936**
Company							
Balance at 1/1/2011	319,572,675	31,948	-	6,708	38,656	-	38,656
Total comprehensive income/ (expenses) for the financial period	-	-	-	571	571	-	571
Dividend paid to equity holders of the Company				(320)	(320)		(320)
Balance at 30/9/2011	**319,572,675**	**31,948**	**-**	**6,959**	**38,907**	**-**	**38,907**

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 30/9/2012	As at 31/12/2011
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 period as those applied in their audited financial statements for the year ended 31 December 2011.

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	
			9 months ended 30 September	
	Q3 2012	Q3 2011	2012	2011
	cents	cents	cents	cents
Based on the weighted average number of ordinary shares on issue (1)	0.12	0.14	2.00	0.37
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 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 30 September 2012 and 2011.

(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 30/9/2012		As at 31/12/2011	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share (1)	10.95	12.10	9.23	12.09

(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 third quarter ended 30 September 2012 as compared to corresponding quarter ended 30 September 2011

Group Revenue

The Group achieved consolidated revenue of S$3.6 million for the quarter ended 30 September 2012 ("Q3 2012"), an increase of 11% against revenue recorded in the corresponding quarter of 2011 ("Q3 2011"). The increase in revenue for Q3 2012 is mainly contributed by the consolidation of revenues of Ahead Mobile Sdn Bhd ("AMSB") which became a wholly owned subsidiary under VAS BU following the Group's acquisition of the remaining 60% equity interest in AMSB ("Acquisition of AMSB") on 16 January 2012.

With full consolidation of AMSB's results, VAS BU revenue rose to S$1.4 million in Q3 2012, an increase of 72% as compared to S$0.8 million recorded in Q3 2011. This is in turn, the main reason for the S$0.9 million increase in VAS BU revenue in the SEA region in Q3 2012 as compared to Q3 2011. VAS BU revenue from the MEA region meanwhile, declined by 52% in Q3 2012 to S$0.2 million as compared to S$0.4 million in Q3 2011, due to lower system sale revenues.

TECH BU closed Q3 2012 with flat revenue of S$1.5 million.

OSS BU recorded revenue of S$0.5 million in Q3 2012, a decline of 36% from the S$0.8 million achieved in Q3 2011. The decline in Q3 2012 revenue was due to lower system sale revenues being secured in this quarter compared to Q3 2011.

OHQ BU continued to contribute to Group revenue with S$0.1 million of rental income from the investment property acquired in early 2011.

The Group's sales mix shows an increase in the significance of revenue of a recurring nature, with revenue from managed service contracts representing 87% of the Group's total revenue for Q3 2012 as compared to 66% for Q3 2011. This shift in revenue mix is mainly attributable to the consolidation of revenues of AMSB. Revenue generated by the Group from system sale contracts was significantly lower for the quarter at S$0.4 million (Q3 2011: S$1.1 million) primarily due to lower system sale revenues of both VAS and OSS BU.

Group Gross Profit and Gross Profit Margins

The Group achieved gross profit of S$2.3 million and a gross profit margin of 63% in Q3 2012, as compared to the S$1.8 million and 56% realised respectively in Q3 2011.

The improvement in both gross profit and gross profit margin of the Group is attributable to higher gross profit margins achieved for both system sale and managed service contract revenues of 90% and 59%, as compared to 60% and 54% respectively in Q3 2011. Higher gross profit margin from system sales recorded in Q3 2012 is attributable to lower system sale revenues achieved by OSS BU, which generally yield lower margins due to relatively higher third party component costs.

The improvement in gross profit margin in Q3 2012 was however partly offset by higher amortisation and depreciation relating to intellectual property and equipment that have been commissioned for use in managed service contracts, amounting to S$0.4 million (Q3 2011: S$0.3 million).

Group Operating Expenses

The Group recorded operating expenses of S$1.9 million in Q3 2012 as compared to S$1.8 million for Q3 2011. This is mainly due to the consolidation of operating expenses of AMSB. In addition, a net foreign exchange loss of S$0.1 million was recorded in Q3 2012 as compared to a net foreign exchange gain of S$0.1 million in Q3 2011. This foreign exchange loss relates to unrealised foreign exchange translation losses associated with SGD denominated liabilities of the Group's Pakistan Rupee (PKR) reporting subsidiary.

Group Net Profit and EBITDA

The Group recorded net profit of S$0.4 million and EBITDA of S$0.9 million in Q3 2012 as compared to net profit and EBITDA recorded in Q3 2011 of S$0.5 million and S$0.8 million respectively. The lower net profit achieved in Q3 2012 is attributable to lower system sale revenues and higher operating expenses, which had more than offset the contribution from AMSB as a wholly-owned subsidiary of the Group. The slight improvement in EBITDA recorded in Q3 2012 is due to the higher gross profit recorded, which was only partially offset by unrealised foreign exchange translation losses.

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for Q3 2012, together with comparative results for Q3 2012, is provided below:

Table 8.1: Group consolidated revenue as analysed by business unit for the quarter ended 30 September

	Q3 2012 S$'000	Sales mix %	Q3 2011 S$'000	Sales mix %
Mobile Technology (TECH BU)	1,556	43	1,504	46
Mobile Value-Added-Services (VAS BU)	1,457	40	846	26
Operation Support Systems (OSS BU)	528	15	834	26
Operational Headquarters (OHQ BU)	63	2	67	2
Total	**3,604**	**100**	**3,251**	**100**

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 third quarter ended 30 September 2012 as compared to corresponding quarter ended 30 September 2011 (continued)

Table 8.2: Group consolidated revenue analysed by geographical segment for the quarter ended 30 September

External Sales	Q3 2012				
	TECH S$'000	VAS S$'000	OSS S$'000	OHQ S$'000	Group S$'000
South East Asia (SEA)	1,500	893	518	63	2,974
South Asia (SA)	-	377	10	-	387
Middle East & Africa (MEA)	53	187	-	-	240
Others	3	-	-	-	3
Total	**1,556**	**1,457**	**528**	**63**	**3,604**

External Sales	Q3 2011				
	TECH S$'000	VAS S$'000	OSS S$'000	OHQ S$'000	Group S$'000
SEA	1,497	109	826	67	2,499
SA	7	346	8	-	361
MEA	-	390	-	-	390
Others	-	1	-	-	1
Total	**1,504**	**846**	**834**	**67**	**3,251**

Table 8.3: Group consolidated revenue analysed by contract type for the quarter ended 30 September

External Sales	Q3 2012			Q3 2011		
	System Sale (1)	Managed Service (2)	Group	System Sale (1)	Managed Service (2)	Group
Revenue	451	3,153	3,604	1,115	2,136	3,251
Gross Profit	405	1,862	2,267	667	1,153	1,820
Gross Profit (%)	90%	59%	63%	60%	54%	56%

(1) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(2) Managed Service – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

Review of results for the nine months ended 30 September 2012 as compared to corresponding period ended 30 September 2011

Group Revenue

The Group achieved consolidated revenue of S$11.9 million for the nine months ended 30 September 2012 ("9M 2012"), an increase of 14%, against revenue recorded in the corresponding period of 2011 ("9M 2011"). The increase in revenue for 9M 2012 is mainly contributed by the consolidation of revenues of AMSB following the Group's acquisition of AMSB which was completed on 16 January 2012. However, this improvement was partly offset by the decrease in system sale revenues of VAS and OSS BU.

VAS BU achieved revenue of S$4.7 million in 9M 2012, an increase of 95% as compared to S$2.2 million recorded in 9M 2011, arising primarily from the full consolidation of AMSB's results. This has also contributed to the significant rise in VAS BU revenues from the SEA region to S$2.7 million in 9M 2012, as compared to S$0.6 million recorded in 9M 2011. VAS BU continued to realise higher revenue in the SA region in 9M 2012, closing the period under review higher by S$1 million against what was achieved in 9M 2011. The improvement in the SA region is mainly attributable to the positive performance of the managed service contracts in the SA region.

TECH BU achieved improved revenue of S$4.7 million in 9M 2012 as compared to S$4.3 million for 9M 2011. The increase was driven by higher system sale and managed service revenues from the SEA region in the current period as compared to 9M 2011.

OSS BU recorded revenue of S$2.7 million in 9M 2012, a decline of 27% from the S$3.7 million achieved in 9M 2011. The decline revenue was due to lower system sale revenues being secured in the current period as compared to 9M 2011.

Managed service contracts have become increasingly more dominant in their contribution to Group revenue, representing 80% of total Group revenue for 9M 2012 as compared to 63% for 9M 2011. This is attributable to the rise in managed service revenues to S$9.5 million for 9M 2012 (9M 2011: S$6.6 million), and the coincident decline in system sale revenues to S$2.4 million in 9M 2012 (9M 2011: S$3.8 million).

Group Gross Profit and Gross Profit Margins

The Group achieved gross profit of S$7 million and a gross profit margin of 59% in 9M 2012, as compared to the S$5.4 million and 52% realised respectively in 9M 2011.

The improvement in both gross profit and margin of the Group is attributable to the more favourable sales mix on system sale contracts in 9M 2012, yielding higher gross profit margin of 59% (9M 2011: 33%). The improvement in gross profit margin recorded in 9M 2012 is attributable to the lower proportional contribution to Group revenue by OSS BU, which system sale contracts generally deliver lower gross profit margins as a result of their typically higher third party component costs.

The improvement in gross profit margin has however been partly offset by the increase in amortisation and depreciation of intellectual properties and equipment that have been commissioned for use in managed service contracts, amounting to S$1.4 million as at end 9M 2012 (9M 2011: S$0.9 million).

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 results for the nine months ended 30 September 2012 as compared to corresponding period ended 30 September 2011 (continued)

Group Operating Expenses

The Group recorded operating expenses of S$6.1 million in 9M 2012, as compared to S$5.3 million for 9M 2011. This is mainly due to higher foreign exchange losses as a result of unfavourable exchange rate movements of the USD and PKR against SGD during the nine-month period and the consolidation of operating expenses of AMSB.

Group Net Profit and EBITDA

The Group recorded net profit of S$6.6 million and EBITDA of S$8.2 million in 9M 2012. These results are higher compared to the net profit and EBITDA achieved in 9M 2011 of S$1.5 million and S$2.3 million respectively, due to a fair value gain of S$5.3 million on the Group's 40% equity interest in AMSB, as reported in the quarter ended 31 March 2012. The upward remeasurement that resulted in the fair value gain to the Group has no cash impact.

Detailed Segmental Breakdown of Group Revenue and Gross Profit

The detailed segmental breakdown of the Group's revenue and gross profit for 9M 2012, together with comparative results for 9M 2011 is provided below:

Table 8.4: Group consolidated revenue as analysed by business unit for nine months ended 30 September

	2012 S$'000	**Sales mix %**	**2011 S$'000**	**Sales mix %**
TECH BU	4,679	39	4,331	41
VAS BU	4,398	37	2,250	22
OSS BU	2,670	22	3,670	35
OHQ BU	191	2	189	2
Total	**11,938**	**100**	**10,440**	**100**

Table 8.5: Group consolidated revenue analysed by geographical segment for nine months ended 30 September

External Sales	**2012**				
	TECH S$'000	**VAS S$'000**	**OSS S$'000**	**OHQ S$'000**	**Group S$'000**
SEA	4,572	2,665	2,642	191	10,070
SA	-	999	28	-	1,027
MEA	100	732	-	-	832
Others	7	2	-	-	9
Total	**4,679**	**4,398**	**2,670**	**191**	**11,938**

External Sales	**2011**				
	TECH S$'000	**VAS S$'000**	**OSS S$'000**	**OHQ S$'000**	**Group S$'000**
SEA	4,308	582	3,644	189	8,723
SA	23	892	26	-	941
MEA	-	735	-	-	735
Others	-	41	-	-	41
Total	**4,331**	**2,250**	**3,670**	**189**	**10,440**

Table 8.6: Group consolidated revenue as analysed by contract type for nine months ended 30 September

External Sales	**2012**			**2011**		
	System Sale (1)	**Managed Service (2)**	**Group**	**System Sale (1)**	**Managed Service (2)**	**Group**
Revenue	2,400	9,538	11,938	3,840	6,600	10,440
Gross Profit	1,413	5,594	7,007	1,265	4,126	5,391
Gross Profit (%)	59%	59%	59%	33%	63%	52%

(1) System Sale – this refers to contracts that involve the outright purchase by customers of systems comprising the Group's products and technologies, and where these systems are in turn delivered as turnkey solutions. The scope of work for a system sale contract includes system design, implementation, testing and commissioning services.

(2) Managed Service – this refers to contracts that involve the provision of both systems comprising the Group's products and technologies as well as the Group's professional services, on a recurring, revenue sharing, software-as-a-service, pay-per-use or monthly or quarterly fixed and variable fee basis. Also treated as a managed service contract are system maintenance and technical support contracts with existing customers of the Group.

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)

<u>Review of the Group's financial position as at 30 September 2012 as compared to the Group's financial position as at 31 December 2011</u>

A significant number of changes in the financial position of the Group in 9M 2012 were attributable to the consolidation of AMSB as a wholly-owned subsisidiary in accordance with FRS 103 Business Combinations, upon the completion of the Acquisition of AMSB. Previously, the results and assets and liabilities of the Group's 40% equity interest in AMSB, an investment in an associate, were accounted for using the equity method of accounting.

As at the reporting date, the Group is in the process of completing the purchase price allocation, to determine the fair value of assets acquired and liabilities assumed and the final goodwill. Details of provisional net assets acquired and provisional goodwill are as follows:

<u>Purchase Consideration</u>

		S$'000
(a)	Purchase consideration paid to date	5,126
(b)	Fair value of purchase consideration to be settled by tranches in accordance with the terms and conditions of the Acquisition of AMSB ("Contingent Consideration") comprising the following:	
	(i) RM9.0 million deposited with an escrow agent which shall be released to the vendor in accordance with the terms and conditions of the Acquisition of AMSB; and	3,691
	(ii) RM1.0 million to be paid upon AMSB having procured the launch of a new service under a revenue sharing contract with a mobile network operator in South East Asia on or before 31 December 2013; and	340
	Purchase Consideration pursuant to the Acquisition of AMSB	**9,157**
	Add:	
	Fair value of 40% equity interest in AMSB previously held as investment in an associate (1)	6,187
		15,344
	Less:	
	Provisional net assets acquired (2)	(2,120)
	Provisional goodwill	**13,224**

<u>(1) Fair value of 40% equity interest in AMSB previously held as investment in an associate:</u>

	S$'000
Carrying amount of existing 40% equity interest in AMSB	848
Fair value gain on remeasurement of the Group's 40% equity interest in AMSB	5,339
	6,187

<u>(2) The provisional net assets acquired as at 16 January 2012 (the Completion Date) arising from the Acquisition of AMSB are as follows:</u>

	Provisional fair value S$'000
Non-current assets	182
Non-cash current assets	1,105
Cash and cash equivalent	1,079
Current liabilities	(246)
Net assets acquired	**2,120**

Pending the completion of the purchase price allocation, intangible assets other than goodwill have not been identified and valued in the provisional numbers above.

Non-cash current assets of the Group decreased to S$6.0 million as at 30 September 2012 from S$6.4 million as at 31 December 2011. This decrease of S$0.4 million (or 6%) was mainly due to the decrease in receivables as a result of collection of receivables.

Total non-current assets of the Group increased by S$11.9 million (or 91%) from S$13.1 million as at 31 December 2011 to S$25.1 million as at 30 September 2012. This increase is attributable mainly to provisional goodwill of S$13.2 million arising from the Acquisition of AMSB.

Total liabilities of the Group increased by S$2.3 million (or 59%) from S$3.9 million as at 31 December 2011 to S$6.2 million as at 30 September 2012. This increase is mainly due to the increase in non-current liabilities, namely in non-current other payables comprising the Contingent Consideration, but that had been partly offset by the decline in current liabilities.

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 cash flow for the quarter and nine months ended 30 September 2012 as compared to the corresponding periods ended 30 September 2011

The Group's cash generated from operations for Q3 2012 was S$1.0 million, an increase of 233% as compared to S$0.3 million for Q3 2011. The Group's cash generated from operations for 9M 2012 was S$2.4 million, an increase of 14% as compared to 9M 2011 at S$2.1 million. These improvements are mainly due to the higher revenue and gross profit achieved in 9M 2012, partly offset by the consolidation of operating expenses of AMSB.

The Group's net cash used in investing activities for 9M 2012 amounted to S$8.3 million as compared to S$2.7 million for 9M 2011. This increase is mainly due to the payment of the first tranche of purchase consideration amounting to S$4.0 million*, and the placement of S$3.7 million in deposits relating to contingent consideration with an escrow agent, all in connection with the Acquisition of AMSB.

* Effects on cash flow:

	S$'000
Purchase consideration paid to date	5,126
Cash and cash equivalents of subsidiary acquired	(1,079)
Cash outflow on acquisition, net of cash acquired	**4,047**

The Group's net cash used in financing activities for 9M 2012 amounted to S$0.5 million as compared to S$0.4 million for 9M 2011. This increase is mainly due to higher dividend payout to equity holders of the Company.

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.

The Group will continue to execute its key strategies to achieve the objectives described below:

* **Defend Existing Businesses**

  The market position of the existing businesses of the Group will be defended by nurturing further growth in managed service revenues. This will be driven by the continued enhancement of our capabilities in value-added-service creation, development and management. The Group's sales and distribution infrastructure to originate and secure these managed service opportunities in all our regions of focus will also continue to be strengthened.

* **Re-Establish Growth Path**

  The Group will re-establish its growth path organically, and by way of acquisition of and/or strategic investment in complementary businesses. Building up a larger base of recurring revenue will continue to be a key focus of the Group's development strategy to ensure sustainable profitability and profit growth. The acquisition of the 60% equity interest in the AMSB in the early part of this year and its integration into the Group as a wholly-owned subsidiary will further the Group's strategy to drive future growth and profitability through growth in managed service revenues.

The Directors and management are optimistic of extending the Group's track record of profitable performance, but expect the year ahead to continue to be challenging due to the following factors:

(a) Intensified competition for many of the Group's more mature products and technologies;

(b) Pressure on the Group's capacity to recruit and retain suitable human capital to support growth and development plans partly due to increased competition for talent in all its regions of focus; and

(c) Changes in management and ownership of and/or the strategic emphasis at the Group's existing and prospective mobile network operator customers, potentially affecting their technology investment plans or hampering the progress of imminent or existing system implementation projects.

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.

Not applicable.

13. 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 $100,000)	
	9 months ended 30 September		9 months ended 30 September	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
AESBI Power System Sdn Bhd *	205	206	Nil	Nil

** A wholly-owned subsidiary of Advance Synergy Capital Sdn. Bhd. (a subsidiary of Advance Synergy Berhad)*

The Group does not require any shareholders' mandate pursuant to Rule 920 of the Listing Manual of SGX-ST.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. 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.

15. 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.

16. A breakdown of sales.

Not applicable.

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

Not applicable.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Not applicable.

19. Negative Confirmation pursuant to rule 705(5).

We, Wong Tze Leng and Anton Syazi Ahmad Sebi, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the period ended 30 September 2012 to be false or misleading.

On behalf of the Board of Directors

Wong Tze Leng	Anton Syazi Ahmad Sebi
Executive Chairman	Chief Executive Officer

BY ORDER OF THE BOARD

Anton Syazi Ahmad Sebi
Chief Executive Officer
9 November 2012