

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 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 first quarter ended 31 March 2008

Consolidated Income Statement

	Group		
	Quarter ended 31 Mar		
	2008	2007	Inc/(dec)
	S\$'000	S\$'000	%
Revenue	6,218	2,398	159
Cost of sales	(4,085)	(1,887)	116
Gross profit	2,132	511	317
Other operating income	24	28	(15)
Technical support expenses	(962)	(994)	(3)
Distribution costs	(360)	(522)	(31)
Administrative expenses	(512)	(373)	37
Other expenses	(219)	(259)	(15)
Total Operating Expenses	(2,053)	(2,148)	(4)
Profit/(loss) from operations	103	(1,609)	(106)
Finance costs	(17)	(14)	25
Share of result of an associated company	462	206	124
Profit/(loss) before tax	547	(1,417)	(139)
Income tax	(30)	(9)	235
Net profit/(loss)	517	(1,426)	(136)
Attributable to:			
Shareholders of the Company	462	(1,462)	(132)
Minority interest	55	36	53
Net profit/(loss)	517	(1,426)	(136)

1(a)(ii) Notes to income statements

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

	Group		
	Quarter ended		
	31-Mar		
	2008	2007	Inc/(dec)
	S\$'000	S\$'000	%
Amortisation of development costs and intellectual property	194	195	(1)
Depreciation of plant and equipment	384	505	(24)
Finance lease income	(3)	(19)	(84)
Foreign exchange loss	219	247	(11)

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
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,433	2,179	22	8
Trade and other receivables	24,389	24,959	9,616	9,654
Finance lease receivables	83	145	-	-
Inventories	1,109	1,217	-	-
	28,014	28,500	9,638	9,662
Non-current assets				
Investment in an associated company	798	1,561	-	-
Investments in subsidiaries	-	-	22,526	22,526
Plant and equipment	3,191	3,533	13	15
Intangible assets	1,094	1,298	-	-
Deferred income tax assets	299	301	-	-
Trade and other receivables	1,321	1,321	-	-
	6,703	8,014	22,539	22,541
Total assets	34,717	36,514	32,177	32,203
LIABILITIES				
Current liabilities				
Trade and other payables	11,086	14,066	231	200
Current income tax liabilities	56	35	-	-
Borrowings	1,040	158	-	-
	12,182	14,259	231	200
Non-current liabilities				
Borrowings	16	18	-	-
Deferred income tax liabilities	74	75	-	-
	90	93	-	-
Total liabilities	12,272	14,352	231	200
Net assets	22,445	22,162	31,946	32,003
EQUITY				
Share capital	31,948	31,948	31,948	31,948
Foreign currency translation reserve	(753)	(520)	-	-
Retained earnings/(accumulated losses)	(8,894)	(9,356)	(2)	55
Shareholders' equity	22,301	22,072	31,946	32,003
Minority interest	144	90	-	-
	22,445	22,162	31,946	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 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
324	716	158	-

Amount repayable after one year

Group		Group	
As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
16	-	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\$986,762.

The hire purchase is secured by plant and equipment of a subsidiary with a net book value of RM33,000 (S\$14,000) (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

	Quarter ended	
	31 March	
	2008	2007
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit/(loss) before tax and after share of results of an associated company	547	(1,417)
Adjustments for:		
Amortisation of development costs and intellectual property	194	195
Depreciation of plant and equipment	384	505
Plant and equipment written off	-	2
Net (gain)/loss on disposals of plant and equipment	(1)	1
Interest expense	17	15
Interest income	(19)	(20)
Share of results of an associated company	(462)	(206)
Operating cash flow before working capital changes	660	(925)
Changes in operating assets and liabilities		
Inventories	109	(414)
Finance lease receivable	62	113
Trade and other receivables	(1,020)	1,191
Trade and other payables	(1,375)	(227)
Cash used in operations	(1,564)	(262)
Income tax refund/(paid)	-	121
Interest paid	(17)	(15)
Net cash flow used in operating activities	(1,581)	(156)
Cash flows from investing activities:		
Purchase of plant and equipment	(63)	(116)
Proceeds from disposals of plant and equipment	1	-
Deposits placement with a licensed bank	(703)	-
Deposits withdrawal from a licensed bank	803	
Interest received	16	1
Dividend received from associated company	1,210	-
Net cash flow from/(used in) investing activities	1,264	(115)
Cash flows from financing activities:		
Finance lease income	3	19
Proceeds from borrowings	716	363
Repayments of borrowings	(43)	(50)
Repayments of finance leases	(16)	(11)
Net cash flow from financing activities	660	321

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 March	
	2008	2007
	S\$'000	S\$'000
Net change in cash and cash equivalents	343	50
Cash and cash equivalents at beginning of the financial period	993	565
Effect of Foreign Exchange rate changes	(207)	100
Cash and cash equivalents at end of the financial period (Note 1)	1,129	715

Explanatory Notes:

Note 1

	As at 31 March	
	2008	2007
	S\$'000	S\$'000
Cash and cash equivalents	2,433	1,140
Bank overdrafts	(317)	(189)
Restricted deposits	(987)	(236)
Cash and cash equivalents per consolidated cash flow statement	1,129	715

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 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 31/3/2008						
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	-	-	(233)	-	(1)	(234)
Net profit/(loss) for the financial period	-	-	-	462	55	517
Total recognised income/ (expenses) for the financial period	-	-	(233)	462	54	283
Balance at 31/3/2008	319,572,675	31,948	(753)	(8,894)	144	22,445
Company						
Balance at 1/1/2008	319,572,675	31,948	-	55	-	32,003
Net loss for the financial period	-	-	-	(57)	-	(57)
Total recognised income/ (expenses) for the financial period	-	-	-	(57)	-	(57)
Balance at 31/3/2008	319,572,675	31,948	-	(2)	-	31,946

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 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 31/3/2007						
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	-	-	148	-	1	149
Net profit/(loss) for financial period	-	-	-	(1,462)	36	(1,426)
Total recognised income /(expenses) for the financial period	-	-	148	(1,462)	37	(1,277)
Balance at 31/3/2007	319,572,675	31,948	(470)	(7,283)	176	24,371
Company						
Balance at 1/1/2007	319,572,675	31,948	-	58	-	32,006
Net loss for the financial period	-	-	-	(29)	-	(29)
Total recognised income/ (expenses) for the financial period	-	-	-	(29)	-	(29)
Balance at 31/3/2007	319,572,675	31,948	-	29	-	31,977

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 31/3/2008	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	
	31 March	
	2008	2007
	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	0.14	(0.46)
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/(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 Q1 2008 and 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 31/3/2008		As at 31/12/2007	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	6.98	10.00	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

(a) Review of results for the first quarter ended 31 March 2008 as compared to corresponding quarter ended 31 March 2007

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

	Q1 2008 S\$'000	Sales mix %	Q1 2007 S\$'000	Sales mix %
Proprietary Solutions	5,879	95	873	36
Distribution	89	1	1,359	57
Operation Support Systems (OSS)	250	4	166	7
Total	6,218	100	2,398	100

The Group has recorded a net profit after tax of S\$0.5 million for the quarter ended 31 March 2008, as compared to a net loss of S\$1.46 million of the corresponding quarter in 2007. This marks a significant improvement of S\$1.9 million in the bottom line of the Group.

The improvement in Group's net profit after tax is attributable to the significantly improved revenue for the period ended 31 March 2008, an increase of S\$3.8 million, as compared to the revenue achieved for the period ended 31 March 2007. This improvement in Group revenue is attributable to higher project revenues achieved by the Proprietary Solutions segment - in particular, project revenue relating to the Mobile Number Portability Clearinghouse project in Malaysia. However, the Distribution segment of the Group recorded a significant decline in revenue in the period under review as compared to the period ended 31 March 2007, mainly due to downsizing of this segment's operations in conjunction with the Group's decision to consider exiting from the distribution business

The higher gross profit achieved by the Group for the period ended 31 March 2008 is mainly driven by the higher revenue achieved by its Proprietary Solutions segment.

Backed by an improvement in revenue, lower total operating expenses and higher share of profit from associated company (of S\$0.2 million for the period ended 31 March 2008), the Group has recorded improved earnings before interest, tax, depreciation and amortisation ("EBITDA") of S\$1.1 million for the period under review. In comparison, the Group recorded a loss before interest, tax, depreciation and amortisation ("LBITDA") of S\$0.6 million for the period ended 31 March 2007.

(b) Review of the Group's financial position as at 31 March 2008 as compared to the Group's financial position as at 31 December 2007

Current assets decreased marginally by S\$0.5 million or 2% from S\$28.5 million as at 31 December 2007 to S\$28.0 million as at 31 March 2008. This decrease is mainly attributable to the decrease in trade and other receivables as a result of receipts from trade receivables.

Total non-current assets of the Group decreased by S\$1.3 million or 16%, 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 charged for Plant and Equipment and amortisation charged on intangibles for the period under review.

Total liabilities of the Group decreased by S\$2.1 million (or 14.5%) as at 31 March 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\$3.0 million as a result of settlement made. The reduction is however offset by the increase in short term borrowings by approximately S\$0.9 million to finance the working capital 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.

The Group is contemplating exiting the non-profitable distribution business. This will enable the Group to redirect its resources for profitable growth in other existing 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 31 March 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

Wong Tze Leng
Chief Executive Officer
14th May 2008