

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 2007**
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 2007

Consolidated Income Statement

	Group			Group		
				6 months ended 30 June		
	Q2 2007	Q2 2006	Inc/(dec)	2007	2006	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	5,148	3,188	61	7,546	6,368	18
Cost of sales	(3,447)	(1,587)	117	(5,334)	(3,429)	56
Gross profit	1,701	1,601	6	2,212	2,939	(25)
Other operating income	23	41	(44)	51	64	(20)
Technical support expenses	(990)	(1,050)	(6)	(1,984)	(2,284)	(13)
Distribution costs	(636)	(783)	(19)	(1,158)	(1,510)	(23)
Administrative expenses	(503)	(430)	17	(876)	(864)	1
Other operating expenses	(6)	(138)	(96)	(265)	(410)	(35)
Loss from operations	(411)	(759)	(46)	(2,020)	(2,065)	(2)
Finance costs	-	(26)	(100)	(14)	(68)	(79)
Share of result of an associated company	392	84	367	598	153	291
Loss before tax	(19)	(701)	(97)	(1,436)	(1,980)	(27)
Income tax	(39)	(3)	1,200	(48)	(18)	167
Net loss for the financial period	(58)	(704)	(92)	(1,484)	(1,998)	(26)
Attributable to:						
Shareholders of the Company	(148)	(690)	(79)	(1,610)	(2,034)	(21)
Minority interest	90	(14)	(743)	126	36	250
Net loss for the financial period	(58)	(704)	(92)	(1,484)	(1,998)	(26)

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 June		
	Q2 2007	Q2 2006	Inc/(dec)	2007	2006	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of development costs and intellectual property	198	109	82	393	258	52
Foreign exchange loss	(4)	96	(104)	243	336	(28)
Depreciation of plant and equipment	515	471	9	1,020	1,036	(2)
Gain on disposal of plant and equipment	-	(14)	(100)	-	(17)	(100)
Finance lease income	(19)	-	100	(38)	-	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
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	1,542	1,085	13	21
Trade and other receivables	15,619	14,423	9,609	9,712
Finance lease receivables	428	472	-	-
Inventories	3,114	3,275	-	-
	20,703	19,255	9,622	9,733
Non-current assets				
Investment in an associated company	856	702	-	-
Investments in subsidiaries	-	-	22,526	22,526
Plant and equipment	7,103	8,040	20	24
Intangible assets	1,715	2,069	-	-
Deferred income tax assets	601	590	-	-
Finance lease receivable	22	205	-	-
Trade receivables	1,374	1,723	-	-
	11,671	13,329	22,546	22,550
Total assets	32,374	32,584	32,168	32,283
LIABILITIES				
Current liabilities				
Trade and other payables	7,147	6,357	292	277
Current income tax liabilities	157	107	-	-
Borrowings	623	380	-	-
	7,927	6,844	292	277
Non-current liabilities				
Borrowings	12	34	-	-
Deferred income tax liabilities	59	58	-	-
	71	92	-	-
Total liabilities	7,998	6,936	292	277
Net assets	24,376	25,648	31,876	32,006
EQUITY				
Share capital	31,948	31,948	31,948	31,948
Foreign currency translation reserve	(340)	(618)	-	-
Retained earnings/(accumulated losses)	(7,431)	(5,821)	(72)	58
Shareholders' equity	24,177	25,509	31,876	32,006
Minority interest	199	139	-	-
	24,376	25,648	31,876	32,006

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 30/6/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
623	-	380	-

Amount repayable after one year

Group		Group	
As at 30/6/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
12	-	34	-

Details of any collateral

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

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 RM537,700 (S\$236,100)

The hire purchase is secured by plant and equipment of a subsidiary with a net book value of RM130,000 (S\$51,000) (31.12.2006: S\$91,000).

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 2007	Q2 2006	2007	2006
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities:				
Loss before tax and after share of results of an associated company	(19)	(701)	(1,436)	(1,980)
Adjustments for:				
Amortisation of development costs and intellectual property	198	109	393	258
Depreciation of plant and equipment	517	471	1,022	1,036
Plant and equipment written off	0	-	2	-
Loss/(gain) on disposals of plant and equipment	0	(14)	1	(17)
Interest expense	5	26	20	68
Interest income	(23)	(38)	(43)	(39)
Share of results of an associated company	(392)	(84)	(598)	(153)
Foreign currency translation adjustment	43	(163)	143	(134)
Operating cash flow before working capital changes	329	(394)	(496)	(961)
Changes in operating assets and liabilities				
Inventories	572	657	158	532
Finance lease receivable	115	(154)	228	(107)
Trade and other receivables	(2,215)	1,690	(1,024)	3,006
Trade and other payables	1,019	(838)	792	(309)
Cash (used in)/from operations	(180)	961	(342)	2,161
Income tax refund/(paid)	40	(1)	161	(2)
Interest paid	(5)	(26)	(20)	(68)
Net cash flow (used in)/from operating activities	(145)	934	(201)	2,091
Cash flows from investing activities:				
Purchase of plant and equipment	(219)	(53)	(335)	(243)
Proceeds from disposals of plant and equipment	307	50	307	55
Development costs paid	0	(148)	-	(291)
Dividend received	459	-	459	-
Interest received	4	38	5	39
Net cash flow used in investing activities	551	(113)	436	(440)
Cash flows from financing activities:				
Dividend paid to minority	(67)	-	(67)	-
Finance lease interest income	19	-	38	-
Proceeds from borrowings	64	-	427	833
Repayments of borrowings	0	(1,005)	(50)	(2,779)
Repayments of finance leases	(12)	(12)	(23)	(24)
Net cash flow from/(used in) financing activities	4	(1,017)	325	(1,970)

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 2007	Q2 2006	2007	2006
	S\$'000	S\$'000	S\$'000	S\$'000
Net change in cash and cash equivalents	410	(196)	560	(319)
Cash and cash equivalents at beginning of the financial period	715	444	565	567
Cash and cash equivalents at end of the financial period (Note 1)	1,125	248	1,125	248

Explanatory Notes:

Note 1

	As at 30 June	
	2007	2006
	S\$'000	S\$'000
Cash and cash equivalents	1,542	1,082
Bank overdrafts	(149)	(609)
Restricted deposits	(268)	(225)
Cash and cash equivalents per consolidated cash flow statement	1,125	248

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 Second Quarter 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
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 the 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 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 (continued)

Statement of Changes in Equity for the Second Quarter ended 30 June 2006

	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
Period ended 30/6/2006							
Group							
Balance at 1/4/2006	319,572,675	31,948		(403)	(2,518)	109	29,136
Foreign currency translation differences recognised directly in equity	-	-		(256)	-	17	(239)
Net (loss)/profit for financial period	-	-		-	(691)	(14)	(705)
Total recognised income/(expenses) for the financial period	-	-		(256)	(691)	3	(944)
Balance at 30/6/2006	319,572,675	31,948		(659)	(3,209)	112	28,192
Company							
Balance at 1/4/2006	319,572,675	31,948		-	50	-	31,998
Net loss for the financial period	-	-		-	(48)	-	(48)
Total recognised expenses for the financial period	-	-		-	(48)	-	(48)
Balance at 30/6/2006	319,572,675	31,948		-	2	-	31,950

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 Six 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
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 the 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
Net loss for the financial period	-	-	-	(130)	-	(130)
Total recognised expenses for the financial period	-	-	-	(130)	-	(130)
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 Six Months ended 30 June 2006

	Issued and fully paid		Share premium	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	S\$'000
Period ended 30/6/2006							
Group							
Balance at 1/1/2006	319,572,675	25,566	6,382	(469)	(1,175)	73	30,377
Transfer of share premium reserve to share capital	-	6,382	(6,382)	-	-	-	-
Balance at 1/1/2006 restated	319,572,675	31,948	-	(469)	(1,175)	73	30,377
Foreign currency translation differences recognised directly in equity	-	-	-	(190)	-	3	(187)
Net profit/(loss) for the financial period	-	-	-	-	(2,034)	36	(1,998)
Total recognised income/(expenses) for the financial period	-	-	-	(190)	(2,034)	39	(2,185)
Balance at 30/6/2006	319,572,675	31,948	-	(659)	(3,209)	112	28,192
Company							
Balance at 1/1/2006	319,572,675	25,566	6,382	-	111	-	32,059
Transfer of share premium reserve to share capital	-	6,382	(6,382)	-	-	-	-
Balance at 1/1/2006 restated	319,572,675	31,948	-	-	111	-	32,059
Net loss for the financial period	-	-	-	-	(109)	-	(109)
Total recognised expenses for the financial period	-	-	-	-	(109)	-	(109)
Balance at 30/6/2006	319,572,675	31,948	-	-	2	-	31,950

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 at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year

None

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

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 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 2006.

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 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 2007	Q2 2006	2007	2006
	cents	cents	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	(0.05)	(0.20)	(0.50)	(0.60)
On fully diluted basis (detailing any adjustments made to the earnings) ⁽²⁾	n.a.	n.a.	n.a.	n.a.

n.a.: not applicable

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

⁽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 2007 and Q2 2006.

⁽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 issued share capital of the issuer at the end of the (a) current period reported on and (b) the immediate preceding financial year

	As at 30/6/2007		As at 31/12/2006	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	7.63	9.97	8.03	10.02

⁽¹⁾ The net asset value per ordinary share of the Group and the Company have 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 second quarter ended 30 June 2007 as compared to corresponding quarter ended 30 June 2006

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

	Q2 2007 S\$'000	Sales mix %	Q2 2006 S\$'000	Sales mix %
Proprietary Solutions	3,445	67	1,910	60
Distribution	855	17	1,132	36
Operation Support Systems (OSS)	848	16	146	4
Total	5,148	100	3,188	100

The Group's Q2 2007 revenue recorded an improvement of S\$1.9 million or a 60% increase compared to the corresponding quarter last year. This improvement is attributable to the S\$1.5 million increase in revenue of the Proprietary Solutions segment and the S\$0.7 million increase in revenue of the Operation Support Systems ('OSS') segment. These increases were however offset by a decline in revenue of the Distribution segment.

Backed by the improved sales from both the Proprietary Solutions and OSS segments, the Group recorded a reduced loss of S\$0.4 million in Q2 2007 as compared to the loss of S\$0.8 million in the corresponding quarter of the previous year.

The improvement in revenue recorded in the Proprietary Solutions segment of S\$1.5 million, or 80% increase in revenue as compared to Q2 2006, is mainly attributable to sales secured from new customers and new projects, as well as repeat business from existing customers. In addition, the spillover effect of projects which completion had been delayed to the current quarter had also contributed to the improved revenue in the current quarter.

The Group's Distribution segment experienced a weak quarter compared to the corresponding quarter of the previous year as this segment's Telecom products business continued to face stiff competition from the entry of new resellers into the market.

The Group's OSS segment, which provides global roaming quality of service (QoS) monitoring and management solutions to telecommunications operators, continued to build market share to make a greater contribution to Group sales in Q2 2007. During the quarter, this segment delivered and invoiced a substantial new project worth S\$0.7 million.

Operating expenses for the period ended 30 June 2007 recorded a reduction of approximately S\$0.3 million or 11% compared to the corresponding period in 2006. This reduction is in line with the Group's continued efforts in its cost rationalisation exercise which commenced in 2006.

As a result of higher revenue and lower operating expenses incurred for the quarter, the Group delivered earnings before interest, tax, depreciation and amortisation ("EBITDA") of S\$0.7 million for the second quarter ended 30 June 2007. In comparison, the Group recorded loss before interest, tax, depreciation and amortisation ("LBITDA") of S\$0.07 million for the second quarter ended 30 June 2006.

Review of results for the six months period ended 30 June 2007 as compared to corresponding period ended 30 June 2006

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

	YTD June 2007 S\$'000	Sales mix %	YTD June 2006 S\$'000	Sales mix %
Proprietary Solutions	4,180	55	4,005	63
Distribution	2,352	32	2,185	34
Operation Support Systems (OSS)	1,014	13	178	3
Total	7,546	100	6,368	100

The Group recorded improved revenue for the 6 months ended 30 June 2007 with higher revenue recorded for all the three business segments. The increase enjoyed by the Proprietary Solutions segment is mainly attributable to sales secured from new customers as well as repeat business from existing customers. The increase in the OSS segment's revenue is mainly attributable to a major new project secured and implemented during the period under review.

The lower gross profit achieved for current 6 months ended 30 June 2007 is mainly attributable to the lower gross profit and revenue achieved for Proprietary Solutions segment in Q1 2007, relative to Q2 2007.

Backed by an improvement in revenue and lower operating expenses incurred for the period, the Group has delivered earnings before interest, tax, depreciation and amortisation ("EBITDA") of S\$0.02 million for the 6 months ended 30 June 2007. In comparison, the Group recorded a loss before interest, tax, depreciation and amortisation ("LBITDA") of S\$0.6 million for the period ended 30 June 2006.

Review of the Group's financial position as at 30 June 2007 as compared to the Group's financial position as at 31 December 2006

Current assets increased by S\$1.4 million from S\$19.3 million as at 31 December 2006, to S\$20.7 million as at 30 June 2007. This is mainly due to the increase in trade and other receivables as a result of higher sales recorded during the financial period.

The decrease in total non-current assets by S\$1.7 million is mainly attributable to depreciation charged for plant and equipment, amortisation charged on intangibles, as well as reduction in non-current trade receivables.

Total liabilities increased from S\$6.9 million as at 31 December 2006 to S\$7.9 million as at 30 June 2007, representing an increase of approximately S\$1.0 million. This is mainly due to the increase in trade and other payables as a result of increased purchases. This increase is also attributable to the addition of short term borrowings drawn down during the period.

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 quarter 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 Directors believe that the Group, having achieved significant progress in rationalising and streamlining of the operations of the Group, is well positioned to capture growing opportunities in the telecommunications market under its prevailing development strategies. These three key strategies are:

- * To focus and grow mobile data and value-added services ("VAS") business areas;
- * To expand and improve the recurring revenue streams via managed services; and
- * To grow by participating in the growth of developing and emerging telecommunications markets such as South East Asia, Indochina, South Asia and the Middle East.

The Directors believe that the Group's efforts to execute its three key strategies for growth and development have started to show some early results in the six months period to 30 June 2007. Improvements in performance of the Proprietary Solutions and OSS segments of the Group have been driven by growth in the mobile data and VAS business areas, as well as a building up of its managed services revenues. These improvements have primarily been secured from projects and customers within the Group's regions of focus.

The Directors believe that the execution of the Group's three key strategies will continue to show results to deliver improvements in overall Group performance.

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 2007.

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 Transaction

Name of the Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$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
8th August 2007