

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 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 September 2007

Consolidated Income Statement

	Group			Group		
				9 months ended 30 Sept		
	Q3 2007	Q3 2006	Inc/(dec)	2007	2006	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	3,304	4,483	(26)	10,851	10,852	(0)
Cost of sales	(2,169)	(2,617)	(17)	(7,503)	(6,046)	24
Gross profit	1,135	1,866	(39)	3,348	4,806	(30)
Other operating income	34	70	(51)	85	134	(37)
Technical support expenses	(1,032)	(1,103)	(6)	(3,017)	(3,388)	(11)
Distribution costs	(595)	(709)	(16)	(1,752)	(2,219)	(21)
Administrative expenses	(431)	(426)	1	(1,307)	(1,290)	1
Other operating expenses	(276)	(71)	289	(541)	(481)	12
Loss from operations	(1,165)	(373)	212	(3,184)	(2,438)	31
Finance costs	(8)	(21)	(62)	(22)	(89)	(75)
Share of result of an associated company	322	149	116	921	340	171
Loss before tax	(851)	(245)	247	(2,285)	(2,187)	4
Income tax	14	32	(56)	(34)	(24)	42
Net loss for the financial period	(837)	(213)	293	(2,319)	(2,211)	5
Attributable to:						
Shareholders of the Company	(857)	(159)	439	(2,467)	(2,193)	12
Minority interest	20	(54)	(137)	148	(18)	(922)
Net loss for the financial period	(837)	(213)	293	(2,319)	(2,211)	5

1(a)(ii) Notes to income statements

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

	Group			Group		
				9 months ended 30 Sept		
	Q3 2007	Q3 2006	Inc/(dec)	2007	2006	Inc/(dec)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of development costs and intellectual property	193	192	1	588	451	30
Foreign exchange loss	189	14	1,250	431	350	23
Depreciation of plant and equipment	409	454	(10)	1,431	1,490	(4)
Gain on disposal of plant and equipment	(3)	(33)	(91)	(3)	(50)	(94)
Provision for doubtful debts	191	15	1,173	191	15	1,173
Finance lease income	(18)	(24)	(25)	(61)	(63)	(3)

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
	30/9/2007	31/12/2006	30/9/2007	31/12/2006
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	2,596	1,085	5	21
Trade and other receivables	13,628	14,423	9,502	9,712
Finance lease receivables	206	472	-	-
Inventories	3,293	3,275	-	-
	19,723	19,255	9,507	9,733
Non-current assets				
Investment in an associated company	1,164	702	-	-
Investments in subsidiaries	-	-	22,526	22,526
Plant and equipment	6,078	8,040	17	24
Intangible assets	1,493	2,069	-	-
Deferred income tax assets	599	590	-	-
Finance lease receivable	-	205	-	-
Trade receivables	1,229	1,723	-	-
	10,563	13,329	22,543	22,550
Total assets	30,286	32,584	32,050	32,283
LIABILITIES				
Current liabilities				
Trade and other payables	6,484	6,357	231	277
Current income tax liabilities	137	107	-	-
Borrowings	439	380	-	-
	7,060	6,844	231	277
Non-current liabilities				
Borrowings	-	34	-	-
Deferred income tax liabilities	58	58	-	-
	58	92	-	-
Total liabilities	7,118	6,936	231	277
Net assets	23,168	25,648	31,819	32,006
EQUITY				
Share capital	31,948	31,948	31,948	31,948
Foreign currency translation reserve	(660)	(618)	-	-
Retained earnings/(accumulated losses)	(8,288)	(5,821)	(129)	58
Shareholders' equity	23,000	25,509	31,819	32,006
Minority interest	168	139	-	-
	23,168	25,648	31,819	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 30/9/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
439	-	380	-

Amount repayable after one year

Group		Group	
As at 30/9/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	34	-

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 RM537,700 (S\$234,600)

The hire purchase is secured by plant and equipment of a subsidiary with a net book value of RM95,000 (S\$42,000) (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

			9 months ended	
			30 Sept	
	Q3 2007	Q3 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	(851)	(245)	(2,287)	(2,187)
Adjustments for:				
Amortisation of development costs and intellectual property	193	192	588	451
Depreciation of plant and equipment	409	454	1,431	1,490
Plant and equipment written off	-	-	2	-
Loss/(gain) on disposals of plant and equipment	(3)	(33)	(3)	(50)
Interest expense	8	21	22	89
Interest income	(18)	(24)	(61)	(63)
Share of results of an associated company	(322)	(149)	(921)	(340)
Foreign currency translation adjustment	(318)	(104)	(175)	(238)
Operating cash flow before working capital changes	(902)	112	(1,404)	(848)
Changes in operating assets and liabilities				
Inventories	(176)	505	(19)	1,037
Finance lease receivable	244	115	472	8
Trade and other receivables	2,567	1,000	1,546	4,005
Trade and other payables	(664)	(169)	127	(478)
Cash (used in)/from operations	1,069	1,563	722	3,724
Income tax refund/(paid)	(4)	-	157	(2)
Interest paid	(8)	(21)	(22)	(89)
Net cash flow from operating activities	1,057	1,542	857	3,633
Cash flows from investing activities:				
Purchase of plant and equipment	(141)	(920)	(476)	(1,163)
Proceeds from disposals of plant and equipment	306	177	613	233
Development costs paid	-	(88)	-	(379)
Dividend received from associated company	-	-	458	-
Net cash flow from/ (used in) investing activities	165	(831)	595	(1,309)
Cash flows from financing activities:				
Dividend paid to minority shareholder	-	-	(67)	
Finance lease income	18	24	61	63
Proceeds from borrowings	49	73	476	906
Repayments of borrowings	(425)	(546)	(475)	(3,325)
Repayments of finance leases	(11)	(11)	(34)	(35)
Subscription of shares by minority interest	-	21	-	21
Net cash flow used in financing activities	(369)	(439)	(39)	(2,370)

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)

			9 months ended	
			30 Sept	
	Q3 2007	Q3 2006	2007	2006
	S\$'000	S\$'000	S\$'000	S\$'000
Net change in cash and cash equivalents	853	272	1,413	(46)
Cash and cash equivalents at beginning of the financial period	1,125	249	565	567
Cash and cash equivalents at end of the financial period (Note 1)	1,978	521	1,978	521

Explanatory Notes:

Note 1

	As at 30 Sept	
	2007	2006
	S\$'000	S\$'000
Cash and cash equivalents	2,596	1,217
Bank overdrafts	(343)	(473)
Restricted deposits	(275)	(223)
Cash and cash equivalents per consolidated cash flow statement	1,978	521

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 30 September 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 30/9/2007						
Group						
Balance at 1/7/2007	319,572,675	31,948	(340)	(7,431)	199	24,376
Foreign currency translation differences recognised directly in equity	-	-	-	(189)	(51)	(240)
Net profit/(loss) for the financial period	-	-	(320)	(668)	20	(968)
Dividends paid to minority shareholders	-	-	-	-	-	-
Total recognised expenses for the financial period	-	-	(320)	(857)	(31)	(1,208)
Balance at 30/9/2007	319,572,675	31,948	(660)	(8,288)	168	23,168
Company						
Balance at 1/7/2007	319,572,675	31,948	-	(72)	-	31,876
Net loss for the financial period	-	-	-	(57)	-	(57)
Total recognised expenses for the financial period	-	-	-	(57)	-	(57)
Balance at 30/9/2007	319,572,675	31,948	-	(129)	-	31,819

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 30 September 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 30/9/2006							
Group							
Balance at 1/7/2006	319,572,675	31,948		(659)	(3,209)	112	28,192
Foreign currency translation differences recognised directly in equity	-	-		(132)	-	19	(113)
Net (loss)/profit for financial period	-	-		-	(159)	(54)	(213)
Total recognised expenses for the financial period	-	-		(132)	(159)	(35)	(326)
Balance at 30/9/2006	319,572,675	31,948		(791)	(3,368)	77	27,866
Company							
Balance at 1/7/2006	319,572,675	31,948		-	2	-	31,950
Net loss for the financial period	-	-		-	(45)	-	(45)
Total recognised expenses for the financial period	-	-		-	(45)	-	(45)
Balance at 30/9/2006	319,572,675	31,948		-	(43)	-	31,905

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 Nine Months ended 30 September 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 30/9/2007						
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	-	-	(42)	(431)	(51)	(524)
Net profit/(loss) for the financial period	-	-	-	(2,036)	148	(1,888)
Dividends paid to minority shareholders	-	-	-	-	(68)	(68)
Total recognised income/(expenses) for the financial period	-	-	(42)	(2,467)	29	(2,480)
Balance at 30/9/2007	319,572,675	31,948	(660)	(8,288)	168	23,168
Company						
Balance at 1/1/2007	319,572,675	31,948	-	58	-	32,006
Net loss for the financial period	-	-	-	(187)	-	(187)
Total recognised expenses for the financial period	-	-	-	(187)	-	(187)
Balance at 30/9/2007	319,572,675	31,948	-	(129)	-	31,819

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 Nine Months ended 30 September 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 30/9/2006							
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	-	-	-	(322)	-	22	(300)
Net loss for the financial period	-	-	-	-	(2,193)	(18)	(2,211)
Total recognised income/(expenses) for the financial period	-	-	-	(322)	(2,193)	4	(2,511)
Balance at 30/9/2006	319,572,675	31,948	-	(791)	(3,368)	77	27,866
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	-	-	-	-	(154)	-	(154)
Total recognised expenses for the financial period	-	-	-	-	(154)	-	(154)
Balance at 30/9/2006	319,572,675	31,948	-	-	(43)	-	31,905

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	
			9 months ended 30 Sept	
	Q3 2007	Q3 2006	2007	2006
	cents	cents	cents	cents
Based on the weighted average number of ordinary shares on issue ⁽¹⁾	(0.27)	(0.05)	(0.77)	(0.69)
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 Q3 2007 and Q3 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 30/9/2007		As at 31/12/2006	
	Group cents	Company cents	Group cents	Company cents
Net asset value per ordinary share ⁽¹⁾	7.20	9.96	7.98	10.02

(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 2007 as compared to corresponding quarter ended 30 September 2006

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

	Q3 2007 S\$'000	Sales mix %	Q3 2006 S\$'000	Sales mix %
Proprietary Solutions	1,606	49	2,430	54
Distribution	1,375	41	1,672	37
Operation Support Systems (OSS)	323	10	381	9
Total	3,304	100	4,483	100

The Group recorded a decline in revenue of S\$1.2 million or 26% in the current quarter compared to the result achieved in corresponding quarter of last year.

The reduction in revenue in the Group's Proprietary Solutions business segment in Q3 2007 of S\$0.8 million or 34%, as compared to Q3 2006, is attributable to project implementation delays experienced in Q3 2007, where projects worth S\$1.1 million with several Tier-1 operator customers have had their expected completion dates deferred to Q4 2007.

The Group's Distribution business segment achieved lower revenue in Q3 2007 compared to Q3 2006 as this segment's Telecom product group continued to face stiff competition from the entry of new resellers into the market.

The Group's OSS business segment, which provides global roaming quality of service (QoS) monitoring and management solutions to telecom operators continues to build market share, and has positively contributed to Group revenue in Q3 2007.

The Group's key operating expense groupings of technical support, distribution and administrative expenses for Q3 2007 was lower than that of the corresponding quarter in 2006 by S\$0.2 million or 8%. The reduction achieved in operating expenses is in line with the Group's continued effort to streamline its operating cost base. However, this reduction secured by the Group in operating expenses was offset by higher other expenses, including an increase in unrealised foreign exchange losses attributable to the the weakening of US Dollar against the Singapore Dollar and Ringgit Malaysia, as well as additional doubtful debt provisions made in the current quarter.

As a result of the lower revenue and higher overall operating expenses incurred for the quarter, the Group incurred a Loss before Interest, Tax, Depreciation and Amortisation ("LBITDA") of S\$0.2 million for Q3 2007. In comparison, the Group recorded Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of S\$0.4 million in Q3 2006.

Review of results for the nine months period ended 30 September 2007 as compared to corresponding period ended 30 September 2006

Sales analysed by business segment for the 9-month period under review is as follows: -

	YTD Sept 2007 S\$'000	Sales mix %	YTD Sept 2006 S\$'000	Sales mix %
Proprietary Solutions	5,787	53	6,436	59
Distribution	3,727	34	3,857	36
Operation Support Systems (OSS)	1,337	13	559	5
Total	10,851	100	10,852	100

The Group's year-to-date revenue of S\$10.8 million for the 9 months to 30 September 2007 remains constant against the results achieved for corresponding period in 2006. During the period under review, the higher revenue recorded by the OSS business segment had offset the impact of lower revenue achieved by the Proprietary Solutions and Distribution business segments.

Lower gross profit achieved for current 9 months ended 30 September 2007 is mainly attributable to the lower gross profit and lower revenue achieved by Proprietary Solutions segment.

Due to the revenue and operating expense results achieved during the period under review, the Group incurred a Loss before Interest, Tax, Depreciation and Amortisation ("LBITDA") of approximately S\$0.2 million in 2007 and 2006.

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

Current assets increased by S\$0.4 million or 2.4% from S\$19.3 million as at 31 December 2006, to S\$19.7 million as at 30 September 2007. This increase was primarily due to the rise in cash and cash equivalents during the intervening period amounting to S\$1.5 million.

The total non-current assets of the Group decreased by S\$2.8 million, due primarily to disposals of plant and equipment, depreciation charges for plant and equipment, amortisation charges on intangibles, and reductions in non-current finance lease receivables and trade receivables.

Total liabilities of the Group increased from S\$6.9 million as at 31 December 2006 to S\$7.1 million as at 30 September 2007, representing an increase of approximately S\$0.2 million. This increase is attributable to the increase in trade and other payables as a result of increased purchases. The addition of short term borrowings drawn down during the intervening period had also contributed to this increase recorded in the total liabilities 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 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.

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/recommended, a statement to that effect

No dividend has been declared or recommended for the period ended 30 September 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 year 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
12th November 2007