

NERA TELECOMMUNICATIONS LTD

(Co. Reg. No. 197802690R)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group 2nd Quarter			Group Period ended 30 June		
		2011 S\$'000	2010 S\$'000	Increase/ (Decrease) %	2011 S\$'000	2010 S\$'000	Increase/ (Decrease) %
Turnover		35,764	38,046	(6.0)	71,713	70,977	1.0
Cost of sales		(25,993)	(28,485)	(8.7)	(52,222)	(54,082)	(3.4)
Gross profit		9,771	9,561	2.2	19,491	16,895	15.4
Other operating income		1,296	687	88.6	3,697	1,533	141.2
Distribution and selling expenses		(5,727)	(3,766)	52.1	(12,333)	(7,793)	58.3
Administrative expenses		(1,899)	(2,207)	(14.0)	(3,947)	(4,006)	(1.5)
Other operating expenses		(513)	(254)	102.0	(984)	(491)	100.4
Profit from operations		2,928	4,021	(27.2)	5,924	6,138	(3.5)
Financial expenses		(80)	(106)	(24.5)	(141)	(168)	(16.1)
Financial income		54	189	(71.4)	120	394	(69.5)
Profit after financial items		2,902	4,104	(29.3)	5,903	6,364	(7.2)
Share of results of an associate		131	173	(24.3)	150	499	(69.9)
Profit before taxation		3,033	4,277	(29.1)	6,053	6,863	(11.8)
Taxation		(522)	(1,283)	(59.3)	(1,257)	(1,697)	(25.9)
Profit after taxation		2,511	2,994	(16.1)	4,796	5,166	(7.2)
Other comprehensive income / (expense) :							
Foreign currency translation of financial statements of foreign operations		(166)	(17)	876.5	(142)	289	N.M.
Total comprehensive income for the period		2,345	2,977	(21.2)	4,654	5,455	(14.7)

		Group 2nd Quarter				Group Period ended 30 June		
		2011	2010	Increase / (Decrease)		2011	2010	Increase / (Decrease)
		S\$'000	S\$'000	%		S\$'000	S\$'000	%
Profit for the period is arrived at after crediting / (charging) the following :								
Adjustments for (under) / over provision of tax in respect of prior years		-	(546)	(100.0)		(24)	(555)	(95.7)
Amortisation of intangible asset	(1)	(16)	-	100.0		(32)	-	100.0
Depreciation	(2)	(737)	(728)	1.2		(1,457)	(1,431)	1.8
Fixed assets written off		-	(1)	(100.0)		(5)	(1)	400.0
Foreign exchange (loss) / gain		(258)	98	N.M.		(375)	359	N.M.
Gain on disposal of fixed assets		1	1	0.0		6	2	200.0
Interest expense		(1)	(1)	0.0		(2)	(2)	0.0
Interest income	(3)	54	189	(71.4)		120	394	(69.5)
(Allowance) / Writeback of allowance for doubtful debts		(47)	283	N.M.		(3)	57	N.M.
Bad debts recovered		-	122	(100.0)		-	128	(100.0)
Allowance for stock obsolescence		(39)	(3)	1,200.0		(16)	(74)	(78.4)
(Provision) / Writeback for warranty		(163)	86	N.M.		(543)	(248)	119.0
Gross profit as a percentage of turnover		27.3%	25.1%	2.2		27.2%	23.8%	3.4
Profit for the period as a percentage of turnover		7.0%	7.9%	(0.9)		6.7%	7.3%	(0.6)
Other information								
Profit for the period attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of period		4.8%	5.3%	(0.5)		9.1%	9.1%	0.0

N.M. Not meaningful

Notes :

- (1) The amortisation relates to the Nera Trademark purchased in January 2011.
- (2) The increase in depreciation resulted from more point-of-sale terminals purchased for leasing.
- (3) The lower interest income for Q2 2011 and 1H 2011 as compared to the corresponding periods was due to lower interest income from the associate.

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 Sheet as at	Group		Company	
	30/6/2011 S\$'000	31/12/2010 S\$'000	30/6/2011 S\$'000	31/12/2010 S\$'000
Equity				
Share capital	29,909	29,909	29,909	29,909
Revenue reserve	25,119	34,799	18,937	28,281
Translation reserve	(2,587)	(2,445)	-	-
	52,441	62,263	48,846	58,190
Non current assets				
Intangible asset	(1) 1,257	-	1,257	-
Fixed assets	6,194	6,793	3,074	3,357
Investment in subsidiaries	-	-	5,316	4,316
Investment in an associate	1,839	1,730	199	199
Deferred tax assets	1,418	1,285	401	264
	10,708	9,808	10,247	8,136
Current assets				
Stocks	2,328	3,100	829	1,745
Contract works-in-progress	26,208	21,750	17,964	14,511
Trade receivables	39,026	39,199	26,304	25,817
Other receivables, deposits and prepayments	3,298	5,100	1,468	3,403
Due from an associate (trade)	(2) -	4,467	20	3,243
Due from related companies (trade)	-	14	-	3
Due from subsidiaries (trade)	-	-	10,430	14,959
Due from subsidiaries (non-trade)	-	-	411	754
Cash and cash equivalents	42,080	39,991	34,361	35,369
Total current assets	112,940	113,621	91,787	99,804
Current liabilities				
Trade payables	45,690	37,302	37,056	31,960
Other payables and accruals	17,750	15,946	10,587	11,601
Provision for warranty	5,240	4,985	2,782	2,882
Due to subsidiaries (trade)	-	-	412	413
Due to associated company (trade)	26	-	-	-
Due to related companies (trade)	84	688	61	377
Provision for taxation	2,370	2,182	2,290	2,517
Obligations under finance leases	26	27	-	-
Total current liabilities	71,186	61,130	53,188	49,750
Net current assets	41,754	52,491	38,599	50,054
Non current liabilities				
Obligations under finance leases	(21)	(36)	-	-
Net Assets	52,441	62,263	48,846	58,190

Notes :

- (1) Intangible asset relates to the Nera Trademark purchased in January 2011.
- (2) The reduction in amount due from associate (trade) was mainly due to repayments made during the period.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/6/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
26	-	27	-

Amount repayable after one year

As at 30/6/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
21	-	36	-

Details of any collateral

Hire purchase obligations of S\$47,000 are secured on three motor vehicles.

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

	Group 2nd Quarter		Group Period ended 30 June	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Cash flows from operating activities				
Profit before taxation	3,033	4,277	6,053	6,863
Adjustments for :				
Amortisation of intangible asset	16	-	32	-
Depreciation of fixed assets	737	728	1,457	1,431
Fixed assets written off	-	1	5	1
Gain from disposal of fixed assets	(1)	(1)	(6)	(2)
Interest expense	1	1	2	2
Interest income	(54)	(189)	(120)	(394)
Allowance for stock obsolescence	39	3	16	74
Allowance / (Writeback) of allowance for doubtful debts	47	(283)	3	(57)
Provision / (Writeback) for warranty	163	(86)	543	248
Share of results of an associate	(131)	(173)	(150)	(499)
Operating profit before working capital changes	3,850	4,278	7,835	7,667
Decrease / (increase) in :				
Trade receivables	4,242	(1,598)	177	(8,104)
Other receivables, deposits and prepayments	1,607	610	1,802	489
Stocks	(217)	(406)	763	543
Contract work-in-progress	(9,521)	(4,099)	(4,458)	(4,198)
Changes in related parties/associate balances	1,743	3,082	3,903	5,272
(Decrease) / increase in :				
Trade payables	5,512	1,183	8,388	2,792
Other payables and accruals	1,204	(637)	1,804	(1,056)
Provision for warranty	(125)	(91)	(261)	(250)
Cash flows from operations	8,295	2,322	19,953	3,155
Interest paid	(1)	(1)	(2)	(2)
Income taxes paid	(1,191)	(1,887)	(1,206)	(1,924)
Net cash flows from operating activities	7,103	434	18,745	1,229
Cash flows from investing activities				
Proceeds from disposal of fixed assets	18	184	25	186
Purchase of fixed assets	(617)	(941)	(1,004)	(1,167)
Purchase of intangible asset	-	-	(1,289)	-
Interest received	54	189	120	394
Net cash flows used in investing activities	(545)	(568)	(2,148)	(587)
Cash flows from financing activities				
Dividend paid to shareholders	(14,476)	(10,857)	(14,476)	(10,857)
Repayment of obligations under finance leases	(8)	(6)	(16)	(10)
Net cash flows used in financing activities	(14,484)	(10,863)	(14,492)	(10,867)
Net decrease in cash and cash equivalents	(7,926)	(10,997)	2,105	(10,225)
Effect of exchange rate changes	(74)	(3)	(16)	199
Cash and cash equivalents at beginning of the period	50,080	30,375	39,991	29,401
Cash and cash equivalents at end of the period	42,080	19,375	42,080	19,375

- 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.

For 2nd Quarter ended 30 June	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Total S\$'000
Group				
Balance as at 1.4.2011	29,909	37,084	(2,421)	64,572
Total comprehensive income for the period	-	2,511	(166)	2,345
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2011	29,909	25,119	(2,587)	52,441
Balance as at 1.4.2010	29,909	36,916	(2,089)	64,736
Total comprehensive income for the period	-	2,994	(17)	2,977
Dividend paid	-	(10,857)	-	(10,857)
Balance as at 30.6.2010	29,909	29,053	(2,106)	56,856
Company				
Balance as at 1.4.2011	29,909	29,929	-	59,838
Total comprehensive income for the period	-	3,484	-	3,484
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2011	29,909	18,937	-	48,846
Balance as at 1.4.2010	29,909	30,813	-	60,722
Total comprehensive income for the period	-	3,423	-	3,423
Dividend paid	-	(10,857)	-	(10,857)
Balance as at 30.6.2010	29,909	23,379	-	53,288

For Period ended 30 June	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Total S\$'000
Group				
Balance as at 1.1.2011	29,909	34,799	(2,445)	62,263
Total comprehensive income for the period	-	4,796	(142)	4,654
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2011	29,909	25,119	(2,587)	52,441
Balance as at 1.1.2010	29,909	34,744	(2,395)	62,258
Total comprehensive income for the period	-	5,166	289	5,455
Dividend paid	-	(10,857)	-	(10,857)
Balance as at 30.6.2010	29,909	29,053	(2,106)	56,856
Company				
Balance as at 1.1.2011	29,909	28,281	-	58,190
Total comprehensive income for the period	-	5,132	-	5,132
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2011	29,909	18,937	-	48,846
Balance as at 1.1.2010	29,909	29,047	-	58,956
Total comprehensive income for the period	-	5,189	-	5,189
Dividend paid	-	(10,857)	-	(10,857)
Balance as at 30.6.2010	29,909	23,379	-	53,288

- 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 period 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**

There has been no change in the Company's share capital since 31 March 2011. As at 30 June 2011, there were 987,000 (@ S\$0.625) unexercised share options granted (30 June 2010 : 1,000,000 @ S\$0.625). There was no treasury share in issue as at the end of the current financial period (30 June 2010 : nil).

- 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 immediately preceding financial year.**

The total number of issued shares excluding treasury shares as at the end of the current financial period was 361,897,000 shares (31 December 2010 : 361,897,000).

- (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 reported on.**

Not applicable

- 1(e) Negative assurance confirmation on interim financial results under Rule 705(5) of the SGX-ST.**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the second quarter financial statements for the period ended 30 June 2011, to be false or misleading in any material respect.

On behalf of the Board

S Chandra Das
Chairman

Ang Seong Kang, Samuel
President and Chief Executive Officer

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

The figures have not been audited or reviewed by the auditors.

- 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 in the financial statements for the current reporting period as in the latest audited annual financial statements for the financial year ended 31 December 2010 except as described in Section 5 below.

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.

The Group has adopted the new and revised Singapore Financial Reporting Standard ("FRSs") that are mandatory for the financial year beginning on or after 1 January 2011, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the revenue reserve of the Group as at 1 January 2011.

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 2nd Quarter		Group Period ended 30 June	
	2011	2010	2011	2010
Earnings per Ordinary Share for the period based on net profit attributable to shareholders:	(cents)	(cents)	(cents)	(cents)
(i) basic earnings per share	0.69	0.83	1.33	1.43
(ii) fully diluted earnings per share	0.69	0.83	1.33	1.43

Basic earnings per ordinary share for the financial period ended 30 June 2011 was calculated based on the weighted average number of shares in issue of 361,897,000 {2010 : 361,897,000} ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 30 June 2011 was calculated based on the adjusted weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,897,000 ordinary shares {2010 : based on weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,897,000 ordinary shares}.

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 financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	30/6/2011 (cents)	31/12/2010 (cents)	30/6/2011 (cents)	31/12/2010 (cents)
Net Asset Value per ordinary share based on issued share capital	14.49	17.20	13.50	16.08

Net asset value per ordinary share as at 30 June 2011 and 31 December 2010 was calculated based on the number of shares in issue of 361,897,000 ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) 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; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) **Turnover**

On a Q on Q comparison, turnover in Q2 2011 decreased 6.0% (\$2.3 million) from \$38.0 million to \$35.7 million. The drop in turnover resulted from lower turnover from the Telecom business segment, partially offset by higher turnover from the Infocomm business segment.

On the other hand, compared to 1H 2010, the Group's turnover increased slightly by 1.0% (\$0.7 million) from \$71.0 million to \$71.7 million. The increase in turnover resulted from higher turnover from the Telecom business segment, partially offset by slightly lower turnover from the Infocomm business segment.

Telecommunications (Telecom)

On a Q on Q comparison, turnover in Q2 2011 decreased by 33.3% (\$3.8 million) from \$11.4 million to \$7.6 million. The decrease resulted from lower sales in microwave radio equipment in the Transmission business area, partially offset by higher sales of satellite terminals in the Satellite business area.

Compared to 1H 2010, turnover for 1H 2011 increased by 13.7% (\$2.5 million) from \$18.3 million to \$20.8 million. The increase resulted from higher sales in microwave radio equipment and satellite terminals.

Infocomm

On a Q on Q comparison, turnover in Q2 2011 increased slightly by 5.2% (\$1.4 million) from \$26.7 million to \$28.1 million. The increase was mainly due to higher sales of network equipment to the Service Provider market sector.

Compared to 1H 2010, turnover for 1H 2011 decreased slightly by 3.4% (\$1.8 million) from \$52.7 million to \$50.9 million. This resulted from a slight drop in sales of network equipment to the Service Provider and point-of-sale terminals.

(b) **Gross Profit**

On a Q on Q comparison, gross profit for Q2 2011 increased by 2.2% from \$9.6 million to \$9.8 million despite the lower turnover. Gross margin % ("GM%") improved from 25.1% to 27.3%.

Compared to 1H 2010, gross profit for 1H 2011 increased by 15.4% from \$16.9 million to \$19.5 million. GM% improved from 23.8% to 27.2%.

The improvement in gross profit and GM% for Q2 2011 and 1H 2011 can be attributed to the sales mix in product, project and services.

(c) **Operating Expenses**

On a Q on Q comparison, total operating expenses increased by 30.6% from \$6.2 million to \$8.1 million. Compared to 1H 2010, total operating expenses increased by 40.7% from \$12.3 million to \$17.3 million.

Distribution and selling expenses increased by 52.1% (\$2.0 million) for the quarter and 58.3% for 1H 2011 mainly due to the payroll and operational costs of new territories taken over in relation to an OEM agreement signed on 19 January 2011. The payroll and related costs of existing operations also increased.

Administrative expenses decreased by 14% (\$0.3 million) for the quarter and 1.5% for 1H 2011 mainly due to generally lower operating costs. Other operating expense increased by \$0.3 million for the quarter and \$0.5 million for 1H 2011 mainly because of exchange loss of \$0.3m for the quarter and \$0.4m for 1H 2011 respectively.

(d) Profit Before Taxation ('PBT')

On a Q to Q basis, PBT for Q2 2011 decreased by 29.1% as a result of lower turnover and higher operating costs. PBT as a percentage of turnover ("PBT %") dropped from 11.2% to 8.5% for the quarter.

Compared to 1H 2010, PBT for 1H 2011 decreased by 11.8% mainly due to higher operating costs and lower contribution from the associate, partially offset by higher other operating income. Other operating income was higher by \$2.2 million mainly due to an accounts receivable collection fee in relation to an OEM agreement signed on 19 January 2011. PBT% as a percentage of turnover ("PBT %") dropped from 9.7% to 8.4% for the half year

(e) Cash flow

For Q2 2011 and first half of 2011, the Group generated positive cashflows from operating activities. However, cash and cash equivalents decreased in Q2 2011 following the payment of dividend to shareholders in May 2011.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N.A.

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's business comprises of two main business segments, namely Telecommunications and Infocommunications.

Telecommunications (Telecom)

The Telecommunications business segment comprises of two main business areas : Transmission and Satellite Communications. In 1H 2011, the Group's Telecom business segment managed to secure about \$22 million in order intake.

Transmission

In 1H 2011, the point-to-point microwave radio transmission market remains competitive and we believe mobile operators will continue to demand for lower cost products and services. The business remains challenging with some projects being delayed due to uncertainties in spectrum and licensing, and we are seeing further consolidation in the industry in the Philippines.

We believe the market opportunities remain attractive and positive due to the strong demand for data and mobile broadband services, driven mainly by users of smart devices. Mobile operators have to expand their current networks to address the huge increase in data traffic and introduce new 3G services and deployment of LTE (Long Term Evolution) networks.

The Group will continue to focus on providing mobile operators a comprehensive range of wireless transmission networks to increase their coverage and capacities to meet their customers' demand for data and mobile broadband services. In addition, the Group will continue to promote dedicated microwave radio networks to the Defence, Broadcasting and Utilities market sectors.

Satellite Communications

The Group will continue to focus on providing a range of land, mobile and handheld Inmarsat and Thuraya satellite communications products, non-Inmarsat VSAT marine and satellite IP products and solutions to Service Providers, Enterprises and Government organisations. The Group will continue to seek for new products and solutions, as well as other satellite business opportunities to expand its revenue stream.

Infocomm (IF)

In the Infocomm business segment, the Group will focus on offering products and solutions from the Network Infrastructure and Payment Solutions business areas to three key market sectors, namely Service Providers, Enterprises and the Government, Transportation and Utilities sectors.

The Infocomm industry in the region remains highly competitive with large global market leaders partnering local system integrators and resellers. In 1H 2011, the Group's Infocomm business segment managed to secure about \$56 million in order intake.

In the Service Providers market sector, telcos continue to expand their IP networks to meet the growth in internet data and video traffic. The Group intends to focus on providing high performance IP, Optical and Broadcast network infrastructure products and solutions to support our customers' needs.

In the Enterprise market sector, the Group believes there are signs of an increase in Corporate IT spending as legacy networks are gradually replaced with next generation networks and in addition, some enterprises are experimenting with various cloud computing networks. Outsourcing remains attractive to some enterprises due to lower costs. The Group will continue to focus on providing enterprise-class network infrastructure products and services to assist enterprises deploy cost effective enterprise networks.

In the Enterprise's Banking, Finance and Retail market sector, the retail industry remains positive and customers' methods of deploying point-of-sale ("pos") terminals remain very much the same. Some customers will choose to purchase the pos terminals from the Group as well as engage the Group to provide installation, service and maintenance while others will outsource the pos terminals by leasing from the Group. The Group will continue to offer security and enterprise network infrastructure products and solutions to this market sector.

In the Government, Transport and Utilities market sector, opportunities remain positive mainly due to continued government IT spending from the education, healthcare, defence, transportation and utilities sectors. The Group has been developing this market sector and focuses on providing IP, optical networks, integrated communication solutions and dedicated communication networks to customers in these market sectors.

Other information – MBF claims

On 30 July 2010, the Group announced that its wholly-owned subsidiary, Nera Infocom (M) Sdn Bhd ('Nera Infocom'), received a claim from MBF Cards (M'sia) Sdn Bhd ('MBF') for losses and damages amounting in aggregate of RM10.7 million (approximately S\$4.5 million) in relation to a Maintenance and Service Agreement dated 4 April 2005 between Nera Infocom and MBF. On 8 February 2011, MBF made additional claims resulting in the new aggregated claims to be RM41.2 million (approximately S\$17.1 million).

Nera Infocom strongly disputes the amount of claim and are currently under legal proceedings. The recent hearing was on 18 July 2011 and new trial dates are set on 22 July 2011 and on 2, 9, 10 and 17 August 2011.

This claim, if materialised, could affect the Group's profitability.

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 financial period.

13. Aggregate value of interested persons transactions conducted pursuant to a shareholders' general mandate for the period ended 30 June 2011.

Not applicable

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary

22 July 2011