

THIRD QUARTER RESULTS * FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT

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* Asterisks denote mandatory information

Name of Announcer *	NERATELECOMMUNICATIONS LTD
Company Registration No.	197802690R
Announcement submitted on behalf of	NERATELECOMMUNICATIONS LTD
Announcement is submitted with respect to *	NERATELECOMMUNICATIONS LTD
Announcement is submitted by *	Tan Cher Liang
Designation *	Company Secretary
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2012
Description	Please see attached.
Attachments	 Q32012Result_18Oct2012.pdf Total size = 94K (2048K size limit recommended)

NERA TELECOMMUNICATIONS LTD

(Co. Reg. No. 197802690R)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

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

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

	Note	Group 3rd Quarter			Group Period ended 30 September		
		2012 S\$'000	2011 S\$'000	Increase/ (Decrease) %	2012 S\$'000	2011 S\$'000	Increase/ (Decrease) %
Turnover		48,195	36,596	31.7	133,465	108,309	23.2
Cost of sales		(33,903)	(25,917)	30.8	(91,608)	(78,139)	17.2
Gross profit		14,292	10,679	33.8	41,857	30,170	38.7
Other operating income		727	790	(8.0)	2,787	4,487	(37.9)
Distribution and selling expenses		(5,836)	(6,251)	(6.6)	(17,622)	(18,584)	(5.2)
Administrative expenses		(2,277)	(2,042)	11.5	(7,534)	(5,989)	25.8
Other operating expenses		(385)	191	(301.6)	(1,153)	(793)	45.4
Profit from operations		6,521	3,367	93.7	18,335	9,291	97.3
Financial expenses		(176)	(95)	85.3	(277)	(236)	17.4
Financial income		39	59	(33.9)	124	179	(30.7)
Profit after financial items		6,384	3,331	91.7	18,182	9,234	96.9
Share of results of an associate		216	140	54.3	696	290	140.0
Profit before taxation		6,600	3,471	90.1	18,878	9,524	98.2
Taxation		(910)	(814)	11.8	(3,352)	(2,071)	61.9
Profit after taxation		5,690	2,657	114.2	15,526	7,453	108.3
Other comprehensive income / (expense) :							
Foreign currency translation of financial statements of foreign operations		(273)	44	N.M.	(2)	(98)	N.M.
Total comprehensive income for the period		5,417	2,701	100.6	15,524	7,355	111.1

		Group 3rd Quarter			Group Period ended 30 September		
		2012	2011	Increase / (Decrease)	2012	2011	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		(8)	-	100.0	42	(24)	N.M.
Amortisation of intangible asset		(17)	(16)	6.3	(49)	(48)	2.1
Depreciation	(1)	(756)	(984)	(23.2)	(2,530)	(2,441)	3.6
Foreign exchange loss		(372)	216	(272.2)	(1,105)	(159)	595.0
Interest expense		-	(1)	(100.0)	(2)	(3)	(33.3)
Interest income	(2)	39	59	(33.9)	124	179	(30.7)
Net gain / (loss) on disposal / write-off of property, plant and equipment		7	1	600.0	4	2	N.M.
Writeback / (Allowance) for doubtful debts		38	(56)	N.M.	156	(59)	N.M.
Writeback / (Allowance) for stock obsolescence		15	(4)	N.M.	32	(20)	N.M.
Provision for warranty		(394)	(498)	(20.9)	(563)	(1,041)	(45.9)
Gross profit as a percentage of turnover		29.7%	29.2%	0.5	31.4%	27.9%	3.5
Profit for the period as a percentage of turnover		11.8%	7.3%	4.5	11.6%	6.9%	4.7
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		9.1%	4.8%	4.3	24.9%	13.5%	11.4

N.M. Not meaningful

Notes :

- (1) The lower depreciation for the quarter resulted from lesser depreciable assets in the quarter. However, depreciation for nine months of 2012 were higher than the corresponding period mainly due higher depreciation for motor vehicles.
- (2) The lower interest income for the quarter and nine months of 2012 as compared to the corresponding periods were mainly because there was no interest income from the associate in 2012.

1(b)(i) A statement of financial position (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	
	30/9/2012 S\$'000	31/12/2011 S\$'000	30/9/2012 S\$'000	31/12/2011 S\$'000
Equity				
Share capital	29,909	29,909	29,909	29,909
Revenue reserve	34,878	33,828	23,944	28,118
Translation reserve	(2,493)	(2,491)	-	-
	62,294	61,246	53,853	58,027
Non current assets				
Property, plant and equipment	7,644	7,788	3,241	3,966
Intangible asset	1,176	1,225	1,176	1,225
Investment in subsidiaries	-	-	4,602	4,602
Investment in an associate	2,806	2,042	199	199
Finance lease receivable	151	321	-	-
Deferred tax assets	2,238	2,375	377	427
	14,015	13,751	9,595	10,419
Current assets				
Stocks	2,034	3,245	584	1,799
Contract work-in-progress	20,297	20,541	8,614	12,295
Trade receivables	60,191	56,272	31,731	27,408
Finance lease receivable	244	288	-	-
Other receivables, deposits and prepayments	2,859	2,289	621	1,099
Due from subsidiaries (trade)	-	-	17,119	11,616
Due from subsidiaries (non-trade)	-	-	3,434	325
Due from an associate (trade)	542	503	542	503
Cash and cash equivalents	37,436	46,535	31,643	39,821
Total current assets	123,603	129,673	94,288	94,866
Current liabilities				
Trade payables	46,701	54,047	31,313	30,384
Other payables and accruals	19,080	19,111	13,255	11,868
Due to subsidiaries (non-trade)	-	-	387	402
Due to related company	15	-	15	-
Due to an associate (non-trade)	750	24	-	-
Provision for taxation	3,444	3,027	2,677	2,156
Provision for warranty	5,320	5,934	2,383	2,448
Obligations under finance leases	14	28	-	-
Total current liabilities	75,324	82,171	50,030	47,258
Net current assets	48,279	47,502	44,258	47,608
Non current liabilities				
Obligations under finance leases	-	(7)	-	-
Net Assets	62,294	61,246	53,853	58,027

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

Amount repayable in one year or less, or on demand

As at 30/9/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
14	-	28	-

Amount repayable after one year

As at 30/6/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	7	-

Details of any collateral

Hire purchase obligations of S\$14,000 are secured on three motor vehicles.

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

	Group 3rd Quarter		Group Period ended 30 Sept	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Cash flows from operating activities				
Profit before taxation	6,600	3,471	18,878	9,524
Adjustments for :				
Amortisation of intangible asset	17	16	49	48
Depreciation of property, plant and equipment	756	984	2,530	2,441
Interest expense	-	1	2	3
Interest income	(39)	(59)	(124)	(179)
Net (gain) / loss on disposal / write-off of property, plant and equipment	(7)	(1)	(4)	(2)
(Writeback) / Allowance for doubtful debts	(38)	4	(156)	20
(Writeback) / Allowance for stock obsolescence	(15)	56	(32)	59
Provision for warranty	394	498	563	1,041
Share of results of an associate	(216)	(140)	(696)	(290)
Operating profit before working capital changes	7,452	4,830	21,010	12,665
Decrease / (increase) in :				
Stocks	146	(397)	1,250	366
Contract work-in-progress	(950)	2,484	244	(1,974)
Trade receivables	(7,508)	3,217	(3,760)	3,394
Finance lease receivables	57	-	214	-
Other receivables, deposits and prepayments	(191)	400	(570)	2,202
Changes in related companies and associate balances	(113)	(510)	702	3,393
(Decrease) / increase in :				
Trade payables	75	(2,159)	(7,346)	6,229
Other payables and accruals	955	1,191	(311)	2,995
Provision for warranty	(259)	(187)	(1,021)	(448)
Cash flows (used in) / from operations	(336)	8,869	10,412	28,822
Interest paid	-	(1)	(2)	(3)
Income taxes paid	(963)	(1,271)	(2,923)	(2,477)
Net cash flows (used in) / from operating activities	(1,299)	7,597	7,487	26,342
Cash flows from investing activities				
Proceeds from disposal of fixed assets	28	8	61	33
Purchase of fixed assets	(937)	(1,807)	(2,243)	(2,811)
Purchase of intangible asset	-	-	-	(1,289)
Interest received	39	59	124	179
Net cash flows used in investing activities	(870)	(1,740)	(2,058)	(3,888)
Cash flows from financing activities				
Dividend paid to shareholders	(14,476)	-	(14,476)	(14,476)
Repayment of obligations under finance leases	(7)	(5)	(21)	(21)
Net cash flows used in financing activities	(14,483)	(5)	(14,497)	(14,497)
Net (decrease) / increase in cash and cash equivalents	(16,652)	5,852	(9,068)	7,957
Effect of exchange rate changes	(246)	(40)	(31)	(56)
Cash and cash equivalents at beginning of the period	54,334	42,080	46,535	39,991
Cash and cash equivalents at end of the period	37,436	47,892	37,436	47,892

- 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 3rd Quarter ended 30 September	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Total S\$'000
Group				
Balance as at 1.7.2012	29,909	43,664	(2,220)	71,353
Total comprehensive income for the period	-	5,690	(273)	5,417
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.9.2012	29,909	34,878	(2,493)	62,294
Balance as at 1.7.2011	29,909	25,119	(2,587)	52,441
Total comprehensive income for the period	-	2,657	44	2,701
Balance as at 30.9.2011	29,909	27,776	(2,543)	55,142
Company				
Balance as at 1.7.2012	29,909	33,812	-	63,721
Total comprehensive income for the period	-	4,608	-	4,608
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.9.2012	29,909	23,944	-	53,853
Balance as at 1.7.2011	29,909	18,937	-	48,846
Total comprehensive income for the period	-	3,758	-	3,758
Balance as at 30.9.2011	29,909	22,695	-	52,604

For Period ended 30 September	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Total S\$'000
Group				
Balance as at 1.1.2012	29,909	33,828	(2,491)	61,246
Total comprehensive income for the period	-	15,526	(2)	15,524
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.9.2012	29,909	34,878	(2,493)	62,294
Balance as at 1.1.2011	29,909	34,799	(2,445)	62,263
Total comprehensive income for the period	-	7,453	(98)	7,355
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.9.2011	29,909	27,776	(2,543)	55,142
Company				
Balance as at 1.1.2012	29,909	28,118	-	58,027
Total comprehensive income for the period	-	10,302	-	10,302
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.9.2012	29,909	23,944	-	53,853
Balance as at 1.1.2011	29,909	28,281	-	58,190
Total comprehensive income for the period	-	8,890	-	8,890
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.9.2011	29,909	22,695	-	52,604

- 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 30 June 2012. The share options granted under the Employees' Share Option Scheme 2002 expired on 28 February 2012. As at 30 September 2012, there was no share options granted (30 September 2011 : 942,000 share options @ S\$0.625). There was no treasury share in issue as at the end of the current financial period (30 September 2011 : 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 2011 : 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.**

There was no treasury share in issue as at the end of the current financial period (30 September 2011 : nil).

- 1(e) Negative assurance confirmation on interim financial results under Rule 705(4) 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 third quarter financial statements for the period ended 30 September 2012, 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 2011 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 2012, 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 2012.

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 3rd Quarter		Group Period ended 30 Sept	
	2012	2011	2012	2011
Earnings per Ordinary Share for the period based on net profit attributable to shareholders:	(cents)	(cents)	(cents)	(cents)
(i) basic earnings per share	1.57	0.73	4.29	2.06
(ii) fully diluted earnings per share	1.57	0.73	4.29	2.06

Basic earnings per ordinary share for the financial period ended 30 September 2012 was calculated based on the weighted average number of shares in issue of 361,897,000 {2011 : 361,897,000} ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 30 September 2012 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 {2011 : 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	
	30/9/2012 (cents)	31/12/2011 (cents)	30/9/2012 (cents)	31/12/2011 (cents)
Net Asset Value per ordinary share based on issued share capital	17.21	16.92	14.88	16.03

Net asset value per ordinary share as at 30 September 2012 and 31 December 2011 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 Q3 2012 increased 31.7% (\$11.6 million) from \$36.6 million to \$48.2 million. Compared to nine months of 2011, turnover increased 23.2% (\$25.2 million) from \$108.3 million to \$133.5 million.

The increase in turnover for the quarter and for the nine months resulted from higher turnover from both the Telecom and Infocomm business segments.

Telecommunications (Telecom)

On a Q on Q comparison, turnover in Q3 2012 increased 36.8% (\$4.6 million) from \$12.5 million to \$17.1 million. Compared to nine months of 2011, turnover increased 42.3% (\$14.1 million) from \$33.3 million to \$47.4 million.

The increase in turnover resulted from higher sales of microwave radio equipment in the Wireless Infrastructure Network business area. The new markets in Middle East and North Africa ('MENA') contributed revenue of \$9.2 million for the quarter and \$27.4 million for nine months of 2012, compared to \$4.2 million revenue in Q3 2011 and \$6.2 million for nine months of 2011. The increase was partially offset by lower sales of satellite terminals in the Satellite business area.

Infocomm

On a Q on Q comparison, turnover in Q3 2012 increased 29.0% (\$7.0 million) from \$24.1 million to \$31.1 million. The increase was mainly due to higher sales of point-of-sales terminals and services in the Enterprise market sector, partially offset by lower sales of network equipment to the Service Provider market sector.

Compared to nine months of 2011, turnover for 2012 increased 14.7% (\$11.0 million) from \$75.0 million to \$86.0 million. The resulted from higher sales of point-of-sales terminals and services in the Enterprise market sector and higher sales of network equipment to the Service Provider market sector.

(b) Gross Profit

On a Q on Q comparison, gross profit for Q3 2011 increased 33.8% from \$10.7 million to \$14.3 million. Gross margin % ("GM%") improved from 29.2% to 29.7%.

Compared to nine months of 2011, gross profit for 2012 increased 38.7% from \$30.2 million to \$41.9 million. GM% improved from 27.9% to 31.4%.

The improvement in gross profit and GM% from both the Telecom and Infocomm business segments can be attributed higher revenues, more competitive products and sales mix in product, project and services.

(c) Operating Expenses

On a Q on Q comparison, total operating expenses increased 4.9% from \$8.1 million to \$8.5 million. Compared to nine months of 2011, total operating expenses increased 3.5% from \$25.4 million to \$26.3 million.

Distribution and selling expenses decreased 6.6% (\$0.4 million) for the quarter and 5.2% (\$1.0 million) for nine months of 2012. The decrease was mainly due to lower payroll and operational costs of the MENA market resulting from lower headcount.

Administrative expenses increased 11.5% (\$0.2 million) for the quarter and 25.8% (\$1.5 million) for nine months of 2012. The increase for the quarter was mainly due to higher payroll and related costs. The increase for nine months of 2012 was mainly due to costs incurred of \$0.8 million in relation to the Scheme of Arrangement announced on 10 February 2012, and expenses incurred for new subsidiaries in MENA (\$0.7 million).

(d) Profit Before Taxation ('PBT')

On a Q to Q basis, PBT for Q3 2012 increased significantly by 90.1%. PBT as a percentage of turnover ("PBT %") improved from 9.5% to 13.7% for the quarter. Compared to nine months of 2011, PBT for 2012 increased significantly by 98.2%. PBT% improved from 8.8% to 14.1% for the nine months.

The improvement in PBT for the quarter and nine months was mainly due to higher turnover, improvement in the GM% and higher contribution from the associate, partially offset by lower other operating income due to lower accounts receivable collection fee in relation to an OEM agreement signed on 19 January 2011.

(e) Cash flow

For Q3 2012, there was a deficit in cashflow from operating activities mainly due to higher accounts receivable at the end of the quarter. For nine months of 2012, the Group was able to generate positive cashflows from operating activities. The decrease in cash and cash equivalents for the quarter and for nine months of 2012 was mainly due to an interim dividend payment on 3 August 2012.

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

There is no forecast previously disclosed to shareholders.

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 two main business areas : Wireless Infrastructure Network ('WIN') and Satellite Communications.

In the nine months of 2012, the Group's Telecom business segment secured \$52.4 million in order intake, an increase of 23.3% compared to \$42.5 million in the nine months of 2011 as a result of point-to-point radio orders received from the MENA markets as well as orders for in-building coverage and wifi solutions from the AsiaPac markets.

There is strong competition in the Telecom industry with many equipment vendors aggressively engaging in trying to gain market share with various business models and special pricing to win key projects. Furthermore, the unclear spectrum, licencing and regulatory framework in some countries are causing some operators to take a more cautious approach in their investments.

Wireless Infrastructure Networks (WIN)

In the WIN business area, the Group believes that as mobile operators revised their mobile data pricing plan from a fixed price data plan to data capping pricing plan, operators will be able to generate additional revenues and part of these revenues will be used to increase network capacity, coverage and capabilities to provide better quality of experiences to their customers.

In order to meet mobile operators' demand for lower operating and capital expenditures for their 3G/LTE (Long Term Evolution) network rollout, the Group has expanded its product portfolio to provide end-to-end wireless infrastructure networks and solutions, covering from traditional point-to-point radios networks to include RAN (Radio Access Networks) such as in-building coverage solutions, wifi 3G data offload and performance networks.

In addition to the mobile markets, the Group will promote its suite of WIN products and solutions to the Defence, Broadcasting and Utilities market sectors.

Satellite Communications

The satellite business for land, mobile and handheld market remains highly competitive.

The Group will continue to offer its current range of Inmarsat land, marine and handheld satellite terminals, Thuraya as well as other satellite communication products, solutions and services to Satellite Operators, Broadcasters, Government, Oil / Gas / Maritime and Enterprises market sectors, and will continue to seek new products and business opportunities in other satellite market such as VSAT and DTH antenna systems.

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.

Competition in the Infocomm industry remains intense with many tiers of competitors, few large global players and many fragmented local resellers, distributors and system integrators offering various infocomm products, solutions and technology.

In the nine months of 2012, the Group's Infocomm business segment managed to secure \$87.5 million in order intake, an increase of 18.6% compared to \$73.8 million in the nine months of 2011.

In the Service Providers market sector, the Group believes that the consumer demand for capacity and higher speed broadband services, driven by more and more smart devices, will continue and telecom operators will have to expand their networks capacities and capabilities. The Group will continue to provide high performance IP, Optical and Broadcast, Security, Data Centres and Cloud network infrastructure product and solutions to the Service Provider market sector.

In the Enterprise market sector, the Group believes that demand for corporate IT infrastructure will be driven by corporate customers' need to upgrade, refresh or invest in new network infrastructure to address the security challenges and improve their overall competitiveness. The Group will provide enterprise-class network infrastructure products, solutions and services to help enterprises deploy cost effective network infrastructures to address their concerns on security, capacities, capabilities, service quality and competitiveness.

In the Enterprise's Banking, Finance and Retail market sector, the Group believes that point-of-sale ("POS") terminal penetration rate will continue to increase as a result of increased wages and in consumer spending in the region. The Group will continue to focus on providing end-to-end payment solutions and infrastructure, security and payment networks, and offer various business model such as sales and leasing of POS terminals and outsourcing alternatives to its customers.

In the Government, Transport and Utilities market sector, the Group believes that growth in IT spending for network infrastructure products and solutions are driven by government initiatives to lower costs, improve public services and achieve high security standard. The Group will focus on providing various network infrastructure, security solutions, integrated communication solutions, dedicated communication networks and payment solutions to customers in these sectors.

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. If the Group has obtained a general mandate form shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no mandate obtained.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary

18 October 2012