NERA TELECOMMUNICATIONS LTD

(Incorporated in the Republic of Singapore)
(Company Registration No. 197802690R)

RESPONSE TO QUERY REGARDING TRADING ACTIVITY

Nera Telecommunications Ltd (the "**Company**") refers to the queries on 28 April 2016 from the Singapore Exchange Securities Trading Limited regarding the trading activity and unusual price movements in the shares of the Company on 28 April 2016 ("**Queries**") and wishes to respond to the Queries as follows:

Question 1:

Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.
- If yes, the information shall be announced immediately.

The Company's Response:

The Company is currently at an advanced stage of discussions with a third party regarding the possible disposal of the payment solutions business of the Company.

The Company also wishes to advise that while discussions are continuing, no binding agreement has been reached and there is no assurance that the transaction will actually proceed. If a definitive transaction takes place, it would be subject to, amongst other things, shareholders' approval.

The Company will make an appropriate announcement in the event that it enters into any definitive agreement. In the meantime, the Company advises that shareholders exercise caution when dealing in the shares of the Company and to refrain from taking any action which may be prejudicial to their interests.

Question 2:

Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

The Company's Response:

Save as discussed in relation to Question 1, the Company is not aware of any other possible explanation for the trading.

Question 3:

Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

The Company's Response:

The Company confirms that it is in compliance with the listing rules in the Listing Manual, in particular, Mainboard Rule 703.

By Order of the Board

Foo Soon Soo
Company Secretary

29 April 2016