

 [Print this page](#)**Full Year * Financial Statement And Dividend Announcement**

* 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
Date & Time of Broadcast	31-Jan-2008 18:36:03
Announcement No.	00135

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2007
----------------------------------	------------

Attachments: [Nera_Tel_SGXNET_Q4_2007.pdf](#)Total size = **98K**
(2048K size limit recommended)[Close Window](#)

NERA TELECOMMUNICATIONS LTD

(Co. Reg. No. 197802690R)

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

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

		Group		
		2007 S\$'000	2006 S\$'000	Increase/ (Decrease) %
<u>Continuing operations</u>				
Turnover		166,369	140,343	18.5
Cost of sales		(132,294)	(109,965)	20.3
Gross profit		34,075	30,378	12.2
Other operating income		2,072	723	186.6
Distribution and selling expenses		(14,980)	(13,987)	7.1
Administrative expenses		(6,785)	(5,748)	18.0
Other operating expenses		(1,065)	(1,030)	3.4
Profit from operations		13,317	10,336	28.8
Financial expenses		(227)	(173)	31.2
Financial income		998	2,052	(51.4)
Profit after financial items		14,088	12,215	15.3
Share of results of associated company		18	(166)	N.M.
Profit from continuing operations		14,106	12,049	17.1
Exceptional item	(1)	-	28,777	(100.0)
Profit from continuing operations before taxation		14,106	40,826	(65.4)
Taxation		(2,653)	(3,059)	(13.3)
Profit for the year from continuing operations		11,453	37,767	(69.7)
<u>Discontinued operation</u>				
Profit for the year from a discontinued operation		-	5,420	(100.0)
Profit for the year		11,453	43,187	(73.5)
Attributable to:				
Equity holders of the Company		11,453	41,467	(72.4)
Minority interests		-	1,720	(100.0)
		11,453	43,187	(73.5)

Note :

(1) The exceptional item relates to the gain on disposal of a subsidiary company.

	Group		
	2007	2006	Increase / (Decrease)
	S\$'000	S\$'000	%
<u>Continuing operations</u>			
Profit for the period is arrived at after crediting / (charging) the following :			
Adjustments for over provision of tax in respect of prior years	142	10	N.M.
Depreciation	(2,048)	(1,426)	43.6
(Loss) / gain on disposal of fixed assets	(5)	16	N.M.
Interest income	998	2,052	(51.4)
Foreign exchange loss	(213)	(79)	169.6
Provision for doubtful debts	(8)	(40)	(80.0)
Provision for stock obsolescence	(528)	(299)	76.6
Provision for warranty	(2,952)	(1,425)	107.2
Gross profit as a percentage of turnover	20.5%	21.6%	(5.1)
Profit for the year as a percentage of turnover	6.9%	26.9%	(74.3)
<u>Other information</u>			
Profit for the period attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of year	17.0%	62.0%	(72.6)

N.M. Not meaningful

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	
	31/12/2007 S\$'000	31/12/2006 S\$'000	31/12/2007 S\$'000	31/12/2006 S\$'000
Equity				
Share capital	29,909	29,906	29,909	29,906
Share option reserve	-	1	-	1
Revenue reserve	39,241	38,645	34,090	33,494
Translation reserve	(1,960)	(1,664)	-	-
	67,190	66,888	63,999	63,401
Non current assets				
Fixed assets	8,168	6,379	4,308	4,309
Investment in subsidiaries	-	-	4,316	4,316
Investment in associated company	1,111	1,094	199	199
Deferred tax assets	1,327	875	180	175
	10,606	8,348	9,003	8,999
Current assets				
Stocks	7,188	5,642	6,185	4,320
Contracts-works-in-progress	20,687	18,627	15,725	16,794
Trade debtors	48,733	29,957	38,563	24,812
Other debtors, deposits and prepayments	1,769	1,863	128	569
Due from associated company (trade)	8,145	7,231	7,076	6,303
Due from associated company (non-trade)	1,000	1,263	1,000	1,263
Due from related companies (trade)	95	156	83	56
Due from subsidiaries (trade)	-	-	8,033	4,497
Due from subsidiaries (non-trade)	-	-	359	-
Fixed deposits	35	12,896	-	12,896
Cash and bank balances	21,116	12,935	18,934	10,088
Total current assets	108,768	90,570	96,086	81,598
Current liabilities				
Trade creditors	(1) 22,498	16,393	16,945	14,716
Other creditors and accruals	(1) 17,448	9,706	13,875	7,662
Provision for warranty	3,821	3,044	1,706	1,403
Due to subsidiaries (trade)	-	-	400	384
Due to associated company (trade)	-	18	-	-
Due to related companies (trade)	(1) 5,591	374	5,548	327
Provision for taxation	2,826	2,495	2,616	2,704
Total current liabilities	52,184	32,030	41,090	27,196
Net current assets	56,584	58,540	54,996	54,402
	67,190	66,888	63,999	63,401

Note :

- (1) The significant increases are in line with the increase in business activities. They are also affected by timing of billing, receipts and payments.

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

Amount repayable in one year or less, or on demand

As at 31/12/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 31/12/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

Not applicable

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	
	<u>Year ended 31 Dec</u>	
	2007	2006
	S\$'000	S\$'000
Cash flows from operating activities		
Profit from continuing operations before taxation	14,106	40,826
Profit from discontinued operation before taxation	-	6,906
	<u>14,106</u>	<u>47,732</u>
Adjustments for :		
Depreciation of fixed assets	2,048	2,591
Gain from disposal of a subsidiary company, net	-	(28,777)
Loss / (gain) from disposal of fixed assets	5	(16)
Share option expenses	(1)	(1)
Provision for stock obsolescence	528	1,417
Provision for doubtful debts	8	588
Provision for warranty	2,952	1,957
Interest income	(998)	(2,392)
Share of results of associated company	(18)	166
Operating profit before working capital changes	<u>18,630</u>	<u>23,265</u>
Decrease / (increase) in :		
Trade debtors	(18,784)	(15,371)
Other debtors, deposits and prepayments	94	(2,484)
Stocks	(2,074)	(9,696)
Contracts-work-in-progress	(2,060)	(4,276)
Changes in related parties/associate balances	4,609	(703)
(Decrease) / increase in :		
Trade creditors	6,105	12,360
Other creditors and accruals	7,742	1,723
Provision for warranty	(2,175)	(1,295)
Cash generated from operations	<u>12,087</u>	<u>3,523</u>
Income taxes paid	<u>(2,906)</u>	<u>(4,385)</u>
Net cash flows generated from / (used in) operating activities	<u>9,181</u>	<u>(862)</u>
Cash flows from Investing activities		
Proceeds from disposal of fixed assets	-	19
Purchase of fixed assets	(3,831)	(3,929)
Interest received	998	2,392
Disposal of a subsidiary company, net of cash disposed	-	39,508
Net cash flows (used in) / generated from investing activities	<u>(2,833)</u>	<u>37,990</u>
Cash flows from financing activities		
Dividend paid to shareholders	(10,857)	(65,139)
Dividend paid to minority shareholders	-	(838)
Proceeds from issue of shares	3	-
Net cash flows used in financing activities	<u>(10,854)</u>	<u>(65,977)</u>
Net decrease in cash and bank balances	<u>(4,506)</u>	<u>(28,849)</u>
Effect of exchange rate changes	(174)	(409)
Cash and bank balances at beginning of the year	<u>25,831</u>	<u>55,089</u>
Cash and bank balances at end of the year	<u>21,151</u>	<u>25,831</u>

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.

	← Attributable to equity holders of the Company →						Minority	Total
For Year ended 31 December	Share Capital	Share Premium	Revenue Reserve	Capital Reserve	Share Option Reserve	Translation Reserve	Interests	Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance as at 1.1.2007	29,906	-	38,645	-	1	(1,664)	-	66,888
Foreign currency translation difference	-	-	-	-	-	(296)	-	(296)
Employee share options exercised / (cancelled)	3	-	-	-	(1)	-	-	2
Net profit for the year	-	-	11,453	-	-	-	-	11,453
Dividends paid	-	-	(10,857)	-	-	-	-	(10,857)
Balance as at 31.12.2007	29,909	-	39,241	-	-	(1,960)	-	67,190
Balance as at 1.1.2006	18,094	11,812	62,317	4,951	2	(1,206)	15,304	111,274
Transfer of share premium reserve to share capital account	11,812	(11,812)	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	(458)	-	(458)
Employee share options cancelled	-	-	-	-	(1)	-	-	(1)
Net profit for the year	-	-	41,467	-	-	-	1,720	43,187
Dividends paid	-	-	(65,139)	-	-	-	(838)	(65,977)
Disposal of a subsidiary company	-	-	-	(4,951)	-	-	(16,186)	(21,137)
Balance as at 31.12.2006	29,906	-	38,645	-	1	(1,664)	-	66,888
The Company								
Balance as at 1.1.2007	29,906	-	33,494	-	1	-	-	63,401
Employee share options exercised / (cancelled)	3	-	-	-	(1)	-	-	2
Net profit for the year	-	-	11,453	-	-	-	-	11,453
Dividends paid	-	-	(10,857)	-	-	-	-	(10,857)
Balance as at 31.12.2007	29,909	-	34,090	-	-	-	-	63,999
Balance as at 1.1.2006	18,094	11,812	34,536	-	2	-	-	64,444
Transfer of share premium reserve to share capital account	11,812	(11,812)	-	-	-	-	-	-
Employee share options cancelled	-	-	-	-	(1)	-	-	(1)
Net profit for the year	-	-	64,097	-	-	-	-	64,097
Dividends paid	-	-	(65,139)	-	-	-	-	(65,139)
Balance as at 31.12.2006	29,906	-	33,494	-	1	-	-	63,401

- 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 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 September 2007. As at 31 December 2007, there were 1,032,000 (@ S\$0.625) unexercised share options granted {31 December 2006 : 1,570,000 (1,547,000 @ S\$0.625 and 23,000 @ S\$0.22).

- 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.

- 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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per Ordinary Share for the year based on net profit attributable to shareholders:

- (i) basic - continuing operations
- (ii) basic - discontinued operation

- (iii) fully diluted - continuing operations
- (iv) fully diluted - discontinued operation

Group	
Year ended 31 December	
2007	2006
(cents)	(cents)
3.16	10.44
-	1.02
3.16	10.44
-	1.02

Basic earnings per ordinary share for the financial year ended 31 December 2007 was calculated based on the weighted average number of shares in issue of 361,892,551 {2006 : 361,883,000} ordinary shares. Fully diluted earnings per ordinary share for the financial year ended 31 December 2007 was calculated based on the adjusted weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,892,551 ordinary shares {2006 : based on weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,892,022 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

Net Asset Value per ordinary share based on issued share capital

Group		Company	
31/12/2007	31/12/2006	31/12/2007	31/12/2006
(cents)	(cents)	(cents)	(cents)
18.57	18.48	17.68	17.52

Net asset value per ordinary share as at 31 December 2007 and 31 December 2006 was calculated based on the number of shares in issue of 361,897,000 and 361,883,000 ordinary shares respectively.

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.

(i) **Review of financial performance of continuing operations**

(a) **Turnover**

Compared to FY2006, the Group's turnover increased 18.5%, from S\$140.3 million to S\$166.4 million, with higher turnover from both the Telecom and Infocomm business segments.

Telecommunications (Telecom)

Turnover increased 17.6% from S\$85.2 million to S\$100.2 million, with higher sales of microwave radio equipment. This was offset by lower sales from the satellite business area as a result of a project sale of satellite gateway systems and land terminals recorded in 2006.

Infocomm

Turnover increased by 20.0% from \$55.1 million to \$66.1 million. The increase in turnover was mainly due to higher sales of network equipment to the Service Provider market sector and point-of-sale terminals to the Financial Services and Retail market sector.

(b) **Gross Profit**

Compared to FY2006, gross profit increased by 12.2%, from S\$30.4 million to S\$34.1 million mainly due to higher turnover. However, GM% decreased slightly from 21.6% to 20.5% mainly from the Telecom business segment as a result of higher stock and warranty provisions.

(c) **Operating Expenses**

Compared to FY2006, total operating expenses increased by 9.9% from S\$20.8 million to S\$22.8 million. Distribution and selling expenses increased by 7.1% mainly due to higher payroll and related costs. Administrative expenses increased by 18.0% mainly due to part of the corporate costs in FY2006 was charged to the discontinued operation. Total operating expenses as a percentage of turnover was 13.7% compared to 14.8% for FY2006.

(d) **Profit Before Taxation ('PBT')**

Compared to FY2006, PBT from continuing operations (before exceptional item) improved by 17.1% from S\$12.0 million to S\$14.1 million as a result of higher turnover and other operating income. The higher other operating income was derived from a one-off marketing support fee which the Company received from a principal and higher research and development fee from a related company. PBT as a percentage of turnover ("PBT %"), excluding the exceptional item in FY2006, was maintained at a similar level of 8.5% (FY2006 : 8.6%).

(e) **Cash flow**

The Group was able to generate positive cashflow from operating activities. The decrease in cash and bank balances for the year was mainly due to dividend payment to shareholders and purchase of fixed assets.

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

Telecommunications (Telecom)

The Telecommunication industry is expected to remain active with numerous business opportunities for the Group's Transmission and Satellite business areas. The market continued to be highly competitive with customers constantly demanding for higher performance, lower price and shorter delivery time, and competitors are aggressively targeting volume projects and strategic customers.

In the Transmission business areas, the demand for wireless transmission equipment is driven by mobile operators' continued investments into increasing their coverage, capacity and capabilities, and introducing various high speed mobile broadband data and video services to increase their market share and revenue.

The Group will continue to focus on providing a complete range of PDH, SDH access and SDH trunk radio transmission networks to the mobile market and provide various transmission and telecommunications products and solutions to the Defence and Broadcasting market sectors.

In the Satellite business area, the Group will continue to focus on sales and services of a wide range of land and marine satellite communication products to various market sectors such as oil / gas, marine / offshore, fabricators, shipping, government, media, enterprises, etc. The Inmarsat Fleet Broadband marine is expected to be introduced this year and the Group believes there will be business opportunities when these new products gradually replaces the older marine satellite terminals. The Group will continue to promote satellite products, networks, solutions and services to satellite operators, ISP, broadcasters and government organisations.

Infocomm (IF)

Growth from the Infocomm industry is driven by customers demand for voice, data, video, entertainment, broadband, etc. as well as secured services via the Internet.

In the Infocomm business segment, the Group will continue to explore the various business opportunities from the network infrastructure, broadcasting infrastructure, payment and wireless products and solutions to five key market sectors, namely Service Providers, Enterprises, Financial Services and Retail, Media & Broadcasting, and the Government, Transportation and Utilities sectors.

In the Service Provider market sector, demand for networking equipment is driven by the growth in broadband and Internet services. There are also various opportunities in the region for deployment of next generation IP broadband networks, wireless broadband access networks such as mesh-wifi, wimax and mobile TV infrastructure. The Group will continue to focus on providing high performance carrier class IP core network infrastructure products and solutions, next generation wireless infrastructure such as wimax to various service providers to enable them to roll out their multi-media services and increase their market share.

In the Enterprise market sector, enterprises and organisations are constantly upgrading their IT infrastructure and utilise IT to improve their competitiveness and customer satisfaction. The Group will focus on providing various Internet appliances, devices and security products and solutions such as unified threat management, optimization, aggregation, caching devices, wireless access to enable enterprises to deploy a more cost effective and efficient network.

In the Financial Services & Retail market sector, demands for point-of-sale ("POS") terminals, softwares and services are driven by banks, financial institutions and retailers gradually migrating POS terminals to those with PCI PED compliant. The Group will continue to focus on developing its POS terminal sales, terminal applications, rental, leasing and maintenance business to the banks, financial institutions and retailers in SEA and introduce also network infrastructure and wireless products and solutions to this market sector.

In the Media & Broadcasting market sector, the Group believes that Broadcasters will gradually migrate their analogue TV systems to digital systems. The Group is focusing on promoting its turnkey Digital Terrestrial TV (DvB T/H/M) infrastructure networks capabilities to potential Broadcasters. In addition, the Group is also introducing some new broadcast infrastructure products as well as existing network infrastructure products to customers in this market sector.

In the Government, Transport and Utilities market sector, the Group intends to offer integrated infocomm infrastructure products and solutions to the defence, education, healthcare, utilities and transportation industries. The Group is working with various Principals and gradually adding new infocomm products such as IP surveillance, train communications, offshore communications systems and optical networks to its current product portfolio.

Competition in the Infocomm industry is keen and the market is dominated by local and large global industry players. The Group intends to position itself as a regional Infocommunication infrastructure provider by strengthening its product portfolio and concentrate on providing competitive products and services and developing key competence to serve the various customer sectors.

11. Dividend

(a) Current Financial Period Reported On

The Directors are pleased to recommend a final dividend as follow :

Name of Dividend	Final (one-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	4 cents
Tax Rate	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Dividend declared for the corresponding period of the immediately preceding financial year were as follow :

Name of Dividend	Final (one-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	3 cents
Tax Rate	Tax exempt

(c) Date payable

15 May 2008

(d) Books closure date

The Register of Members and Share Transfer Books of the Company will be closed on 6 May 2008 for the purpose of determining shareholders' entitlement to the dividend.

Registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 3 Church Street #08-01, Samsung Hub, Singapore 049483 up to 5.00 p.m. on 5 May 2008 will be registered before entitlements to the dividend is determined.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

FY 2007	Continuing Operations			
	Telecom S\$'000	Infocomm S\$'000	Elimination S\$'000	Total S\$'000
Revenue	100,239	66,130	-	166,369
Inter-company sales	2,150	7,646	(9,796)	-
Total revenue	102,389	73,776	(9,796)	166,369
Cost of sales	(86,031)	(56,059)	9,796	(132,294)
Gross Profit	16,358	17,717	-	34,075
Other operating income	1,992	80	-	2,072
Distribution and selling expenses	(5,367)	(9,613)	-	(14,980)
Administrative expenses	(3,407)	(3,378)	-	(6,785)
Other operating expenses	(1,464)	399	-	(1,065)
Profits from operations	8,112	5,205	-	13,317
Interest income				998
Financial expenses				(227)
Profit after financial items				14,088
Share of result of associated company				18
Profit before taxation				14,106
Taxation				(2,653)
Profit after taxation				11,453
Other Information				
Segment assets	70,437	23,579		94,016
Investment in associated company				1,111
Unallocated assets				24,247
Total assets				119,374
Segment liabilities	20,877	11,033		31,910
Tax Liabilities				2,826
Unallocated liabilities				17,448
Total liabilities				52,184
Capital expenditure	209	3,622		3,831
Depreciation	428	1,620		2,048

	Continuing Operations				Discontinued Operation	Total Operations
	Telecom	Infocomm	Elimination	Total	Contract Manufacturing	Total
FY 2006	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	85,238	55,105	-	140,343	70,696	211,039
Inter-company sales	4,286	2,645	(6,931)	-	-	-
Total revenue	89,524	57,750	(6,931)	140,343	70,696	211,039
Cost of sales	(73,704)	(43,192)	6,931	(109,965)	(58,083)	(168,048)
Gross Profit	15,820	14,558	-	30,378	12,613	42,991
Other operating income	682	41	-	723	521	1,244
Distribution and selling expenses	(5,467)	(8,520)	-	(13,987)	(4,143)	(18,130)
Administrative expenses	(3,458)	(2,290)	-	(5,748)	(2,229)	(7,977)
Other operating expenses	(1,323)	293	-	(1,030)	(141)	(1,171)
Profits from operations	6,254	4,082	-	10,336	6,621	16,957
Interest income				2,052	340	2,392
Financial expenses				(173)	(55)	(228)
Exceptional item				28,777	-	28,777
Profit after financial items				40,992	6,906	47,898
Share of result of associated company				(166)	-	(166)
Profit before taxation				40,826	6,906	47,732
Taxation				(3,059)	(1,486)	(4,545)
Profit after taxation				37,767	5,420	43,187
Other Information						
Segment assets	47,444	21,811		69,255	-	69,255
Investment in associated company						1,094
Unallocated assets						28,569
Total assets						98,918
Segment liabilities	13,202	6,627		19,829	-	19,829
Tax Liabilities						2,495
Unallocated liabilities						9,706
Total liabilities						32,030
Capital expenditure	390	2,645		3,035	894	3,929
Depreciation	434	992		1,426	1,165	2,591

Geographical Segment

Turnover is based on the location of customers regardless of where the goods are produced. Assets and additions to property, plant and equipment are based on the location of those assets.

	Singapore		Other Asian		Others		Eliminations		Total	
	2007 S\$'000	2006 S\$'000	2007 S\$'000	2006 S\$'000	2007 S\$'000	2006 S\$'000	2007 S\$'000	2006 S\$'000	2007 S\$'000	2006 S\$'000
Revenue	46,771	58,822	109,349	83,027	10,249	69,190	-	-	166,369	211,039
Inter-company sales	587	1,173	9,208	5,758	-	-	(9,795)	(6,931)	-	-
	47,358	59,995	118,557	88,785	10,249	69,190	(9,795)	(6,931)	166,369	211,039
Revenue attributable to discontinued operation	-	(16,682)	-	(68)	-	(53,946)	-	-	-	(70,696)
Revenue from continuing operations	47,358	43,313	118,557	88,717	10,249	15,244	(9,795)	(6,931)	166,369	140,343
Assets	92,182	81,585	27,192	17,333	-	-	-	-	119,374	98,918
Capital expenditure	1,132	2,334	2,699	1,595	-	-	-	-	3,831	3,929

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.

Refer to item 8

15. A breakdown of sales

	2007 S\$'000	2006 S\$'000	Increase / (Decrease)
(a) Sales reported for the first half year			
- Continuing operations	77,864	73,929	5.3%
- Discontinued operation	-	52,517	(100.0%)
(b) Profit after tax before deducting minority interest for first half year			
- Continuing operations	5,691	4,476	27.1%
- Discontinued operation	-	4,147	(100.0%)
(c) Sales reported for the second half year			
- Continuing operations	88,505	66,414	33.3%
- Discontinued operation	-	18,179	(100.0%)
(d) Profit after tax before deducting minority interest for second half year			
- Continuing operations	5,762	33,291	(82.7%)
- Discontinued operation	-	1,273	(100.0%)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	10,857	65,139
Preference	-	-
Total	10,857	65,139

The amount for 2006 included an interim special dividend of 15 cents per ordinary share.

17. Aggregate value of interested persons transactions conducted pursuant to a shareholders' general mandate for the year ended 31 December 2007.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the details of the aggregate value of interested person transactions conducted pursuant to a shareholders' general mandate are as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000
Sales	
Nera Networks AS	4,787
Nera Networks, Inc.	1,959
Purchases	
Nera Networks AS	49,123
Other Operating Revenues	
Nera Networks AS	987

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary

31/1/2008