

**NERA TELECOMMUNICATIONS LTD**  
(Co. Reg. No. 197802690R)

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2015**

**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 4th Quarter			Group Year ended 31 December		
		2015 S\$'000	2014 S\$'000	Increase/ (Decrease) %	2015 S\$'000	2014 S\$'000	Increase/ (Decrease) %
<b>Turnover</b>		<b>51,396</b>	<b>48,302</b>	<b>6.4</b>	<b>181,513</b>	<b>182,399</b>	<b>(0.5)</b>
Cost of sales		(34,619)	(32,615)	6.1	(121,995)	(122,020)	(0.0)
<b>Gross profit</b>		<b>16,777</b>	<b>15,687</b>	<b>6.9</b>	<b>59,518</b>	<b>60,379</b>	<b>(1.4)</b>
Other operating income		80	136	(41.2)	596	823	(27.6)
Distribution and selling expenses		(8,372)	(7,018)	19.3	(30,170)	(28,925)	4.3
Administrative expenses		(2,622)	(2,904)	(9.7)	(11,799)	(11,603)	1.7
Other operating expenses		(407)	(410)	(0.7)	(637)	(191)	233.5
<b>Profit from operations</b>		<b>5,456</b>	<b>5,491</b>	<b>(0.6)</b>	<b>17,508</b>	<b>20,483</b>	<b>(14.5)</b>
Financial expenses		(276)	(155)	78.1	(709)	(364)	94.8
Financial income		3	22	(86.4)	40	108	(63.0)
<b>Profit before taxation</b>		<b>5,183</b>	<b>5,358</b>	<b>(3.3)</b>	<b>16,839</b>	<b>20,227</b>	<b>(16.7)</b>
Taxation		(790)	(732)	7.9	(3,438)	(4,000)	(14.1)
<b>Profit after taxation</b>		<b>4,393</b>	<b>4,626</b>	<b>(5.0)</b>	<b>13,401</b>	<b>16,227</b>	<b>(17.4)</b>
<b>Other comprehensive income / (expense) :</b>							
Items that may be reclassified subsequently to profit or loss :							
Foreign currency translation of financial statements of foreign operations	(1)	563	(190)	N.M.	(2,041)	262	N.M.
Remeasurement of defined benefit obligation		3	-	N.M.	3	-	N.M.
<b>Total comprehensive income for the period</b>		<b>4,959</b>	<b>4,436</b>	<b>11.8</b>	<b>11,363</b>	<b>16,489</b>	<b>(31.1)</b>

N.M. Not meaningful

Note :

- (1) The high foreign currency translation loss of financial statements of foreign operations for the year was mainly due to the significant weakening of the Malaysian Ringgit and the Indonesian Rupiah against Singapore Dollar. The exchange rates of the two currencies recovered slightly in Q4 2015, resulting in a translation gain for the quarter.

		Group 4th Quarter			Group Year ended 31 December		
		2015	2014	Increase / (Decrease)	2015	2014	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		(50)	104	N.M.	(9)	35	(125.7)
Amortisation of intangible assets	(1)	(16)	(16)	0.0	(64)	(107)	(40.2)
Bad debts (written off) / recovered		(14)	9	N.M.	24	118	(79.7)
Depreciation of property, plant and equipment	(2)	(1,566)	(1,553)	0.8	(6,374)	(5,365)	18.8
Foreign exchange loss		(354)	(315)	12.4	(505)	(79)	539.2
Interest expense	(3)	(163)	(31)	425.8	(374)	(42)	790.5
Interest income	(4)	3	22	(86.4)	40	108	(63.0)
Net (loss) / gain on disposal / write-off of property, plant and equipment		(88)	(3)	2,833.3	(61)	1	N.M.
Net (allowance) / writeback for doubtful debts		(365)	(61)	498.4	(334)	139	N.M.
Net allowance for stock obsolescence		(300)	(61)	391.8	(422)	(278)	51.8
Net writeback for warranty		802	393	104.1	1,419	725	95.7
<b>Other information</b>							
(A) Gross profit as a percentage of turnover		32.6%	32.5%	0.1	32.8%	33.1%	(0.3)
(B) Profit for the period as a percentage of turnover		8.5%	9.6%	(1.1)	7.4%	8.9%	(1.5)
(C) Profit for the period attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of period		7.8%	7.6%	0.2	23.9%	26.6%	(2.7)

N.M. Not meaningful

**Notes :**

- (1) The decrease in amortisation expense resulted from one of the intangible assets being fully amortised in FY 2014.
- (2) The increase in depreciation expense for the quarter and full year of 2015 resulted from additional point-of-sale terminals purchased for leasing.
- (3) The increase in interest expenses was mainly due to higher bank borrowings taken up. In FY 2014, bank borrowings were taken up only in Q3 2014.
- (4) The decrease in interest income was mainly due to lower placement of fixed deposits.

**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	
	31/12/2015 S\$'000	31/12/2014 S\$'000	31/12/2015 S\$'000	31/12/2014 S\$'000
<b>Equity</b>				
Share capital	29,909	29,909	29,909	29,909
Revenue reserve	32,132	35,016	5,246	13,040
Translation reserve	(6,018)	(3,977)	-	-
Other reserve	3	-	-	-
	56,026	60,948	35,155	42,949
<b>Non current assets</b>				
Property, plant and equipment	14,156	16,449	1,391	5,673
Intangible assets	967	1,031	967	1,031
Investment in subsidiaries	-	-	4,801	4,822
Deferred tax assets	1,546	1,172	-	-
	16,669	18,652	7,159	11,526
<b>Current assets</b>				
Stocks	7,601	3,865	1	2,134
Contract work-in-progress	27,183	25,587	10,823	12,513
Trade receivables	(1) 72,578	69,882	12,500	19,963
Other receivables, deposits and prepayments	4,073	3,530	883	415
Due from subsidiaries (trade)	-	-	31,567	21,888
Due from subsidiaries (non-trade)	-	-	5,659	3,378
Fixed deposits	219	4,111	-	4,000
Cash and bank balances	20,801	20,773	6,322	9,879
Total current assets	132,455	127,748	67,755	74,170
<b>Current liabilities</b>				
Trade payables	52,810	53,008	14,500	23,043
Other payables and accruals	17,793	19,958	7,310	10,554
Due to subsidiaries (non-trade)	-	-	96	329
Short term borrowings	(2) 3,509	-	2,500	-
Provision for taxation	1,963	1,832	1,779	1,478
Provision for warranty	2,481	4,587	656	2,219
Total current liabilities	78,556	79,385	26,841	37,623
<b>Net current assets</b>	53,899	48,363	40,914	36,547
<b>Non current liabilities</b>				
Deferred tax liabilities	729	422	116	422
Long term borrowings	(2) 12,802	4,702	12,802	4,702
Defined benefit obligations	1,011	943	-	-
	14,542	6,067	12,918	5,124
<b>Net Assets</b>	56,026	60,948	35,155	42,949

**Notes :**

- (1) The increase in trade receivables as at 31 December 2015 was mainly due to high level of activities towards the end of the financial year.
- (2) Additional bank borrowings were taken up during FY 2015 to finance the operations.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	3,509	-	-

**Amount repayable after one year**

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
12,802	-	4,702	-

**Details of any collateral**

The borrowings repayable after one year are from a \$25 million loan facility from a bank, where the leasehold land and building at 109 Defu Lane 10 Singapore 539225 has been pledged as security.

- 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 4th Quarter		Group Year ended 31 Dec	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
<b>Cash flows from operating activities</b>				
Profit before taxation	5,183	5,358	16,839	20,227
<u>Adjustments for:</u>				
Amortisation of intangible assets	16	16	64	107
Depreciation of property, plant and equipment	1,566	1,553	6,374	5,365
Interest expense	163	31	374	42
Interest income	(3)	(22)	(40)	(108)
Net loss / (gain) on disposal / write-off of property, plant and equipment	88	3	61	(1)
Net allowance / (writeback) for doubtful debts	365	61	334	(139)
Net allowance for stock obsolescence	300	61	422	278
Net writeback of provision for warranty	(802)	(393)	(1,419)	(725)
Pension cost	46	175	141	227
<b>Operating profit before working capital changes</b>	6,922	6,843	23,150	25,273
Decrease / (increase) in:				
Stocks	(2,911)	493	(4,134)	(1,044)
Contract work-in-progress	(2,884)	(6,472)	(1,596)	(1,609)
Trade receivables	(3,078)	(6,561)	(3,008)	(17,809)
Finance lease receivable	-	-	-	148
Other receivables, deposits and prepayments	148	(185)	(543)	(539)
(Decrease) / increase in:				
Trade payables	7,464	5,452	(198)	8,998
Other payables and accruals	(1,883)	967	(2,218)	1,512
Provision for warranty	(163)	(26)	(626)	(319)
<b>Cash flows from operations</b>	3,615	511	10,827	14,611
Interest paid	(150)	(20)	(321)	(20)
Income taxes paid	(800)	(935)	(3,468)	(4,713)
Benefits paid out of pension funds	(32)	-	(32)	-
<b>Net cash flows from / (used in) operating activities</b>	2,633	(444)	7,006	9,878
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	22	3	126	45
Purchase of property, plant and equipment	(928)	(2,252)	(4,835)	(7,411)
Interest received	3	22	40	108
Withdrawal / (Increase) of deposit pledged	1	-	(1)	-
<b>Net cash flows used in investing activities</b>	(902)	(2,227)	(4,670)	(7,258)

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. (cont'd)**

	<b>Group 4th Quarter</b>		<b>Group Year ended 31 Dec</b>	
	<b>2015 S\$'000</b>	<b>2014 S\$'000</b>	<b>2015 S\$'000</b>	<b>2014 S\$'000</b>
<b>Cash flows from financing activities</b>				
Dividends paid to shareholders	-	-	(16,285)	(21,714)
Proceeds from bank loans	1,865	-	13,041	4,702
Repayment of bank loans	(1,432)	-	(1,432)	-
<b>Net cash flows from/ (used in) financing activities</b>	<b>433</b>	<b>-</b>	<b>(4,676)</b>	<b>(17,012)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,164</b>	<b>(2,671)</b>	<b>(2,340)</b>	<b>(14,392)</b>
Effect of exchange rate changes	199	(151)	(1,525)	6
Cash and cash equivalents at beginning of the period	18,627	27,677	24,855	39,241
<b>Cash and cash equivalents at end of the period</b>	<b>20,990</b>	<b>24,855</b>	<b>20,990</b>	<b>24,855</b>
<b>Cash and cash equivalents comprise :</b>				
Fixed deposits	219	4,111	219	4,111
Cash and bank balances	20,801	20,773	20,801	20,773
Deposit pledged	(30)	(29)	(30)	(29)
	<u>20,990</u>	<u>24,855</u>	<u>20,990</u>	<u>24,855</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.

For 4th Quarter ended 31 December	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Other Reserve S\$'000	Total S\$'000
<b>Group</b>					
<b>Balance as at 1.10.2015</b>	29,909	27,739	(6,581)	-	<b>51,067</b>
Total comprehensive income for the period	-	4,393	563	3	4,959
<b>Balance as at 31.12.2015</b>	29,909	32,132	(6,018)	3	<b>56,026</b>
<b>Balance as at 1.10.2014</b>	29,909	30,390	(3,787)	-	<b>56,512</b>
Total comprehensive income for the period	-	4,626	(190)	-	4,436
<b>Balance as at 31.12.2014</b>	29,909	35,016	(3,977)	-	<b>60,948</b>
<b>Company</b>					
<b>Balance as at 1.10.2015</b>	29,909	3,242	-	-	<b>33,151</b>
Total comprehensive income for the period	-	2,004	-	-	2,004
<b>Balance as at 31.12.2015</b>	29,909	5,246	-	-	<b>35,155</b>
<b>Balance as at 1.10.2014</b>	29,909	11,630	-	-	<b>41,539</b>
Total comprehensive income for the period	-	1,410	-	-	1,410
<b>Balance as at 31.12.2014</b>	29,909	13,040	-	-	<b>42,949</b>

For Year ended 31 December	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Other Reserve S\$'000	Total S\$'000
<b>Group</b>					
<b>Balance as at 1.1.2015</b>	29,909	35,016	(3,977)	-	<b>60,948</b>
Total comprehensive income for the year	-	13,401	(2,041)	3	11,363
Dividend paid	-	(16,285)	-	-	(16,285)
<b>Balance as at 31.12.2015</b>	29,909	32,132	(6,018)	3	<b>56,026</b>
<b>Balance as at 1.1.2014</b>	29,909	40,503	(4,239)	-	<b>66,173</b>
Total comprehensive income for the year	-	16,227	262	-	16,489
Dividend paid	-	(21,714)	-	-	(21,714)
<b>Balance as at 31.12.2014</b>	29,909	35,016	(3,977)	-	<b>60,948</b>
<b>Company</b>					
<b>Balance as at 1.1.2015</b>	29,909	13,040	-	-	<b>42,949</b>
Total comprehensive income for the year	-	8,491	-	-	8,491
Dividend paid	-	(16,285)	-	-	(16,285)
<b>Balance as at 31.12.2015</b>	29,909	5,246	-	-	<b>35,155</b>
<b>Balance as at 1.1.2014</b>	29,909	21,947	-	-	<b>51,856</b>
Total comprehensive income for the year	-	12,807	-	-	12,807
Dividend paid	-	(21,714)	-	-	(21,714)
<b>Balance as at 31.12.2014</b>	29,909	13,040	-	-	<b>42,949</b>

- 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 September 2015. As at 31 December 2015, there was no share options granted (31 December 2014 : nil). There was also no treasury share in issue as at the end of the current financial year (31 December 2014 : 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 year was 361,897,000 shares (31 December 2014 : 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 year (31 December 2014 : nil).

- 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 2014 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 2015, 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 to the Group as at 1 January 2015.



**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.**

	<b>Group 4th Quarter</b>		<b>Group Year ended 31 Dec</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	(cents)	(cents)	(cents)	(cents)
Earnings per Ordinary Share for the period based on net profit attributable to shareholders:				
(i) basic earnings per share	1.21	1.28	3.70	4.48
(ii) fully diluted earnings per share	1.21	1.28	3.70	4.48

Basic earnings per ordinary share for the financial period ended 31 December 2015 was calculated based on the weighted average number of shares in issue of 361,897,000 (2014 : 361,897,000) ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 31 December 2015 was calculated based on the weighted average number of shares in issue of 361,897,000 ordinary shares (2014 : based on weighted average number of shares in issue 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.**

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
	(cents)	(cents)	(cents)	(cents)
Net Asset Value per ordinary share based on issued share capital	15.48	16.84	9.71	11.87

Net asset value per ordinary share as at 31 December 2015 and 31 December 2014 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**

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

On a year-on-year ('YOY') comparison, turnover in Q4 2015 increased 6.4% (\$3.1 million) from \$48.3 million to \$51.4 million. The increase resulted from higher turnover from both the Telecom and Infocomm business segments.

Compared to FY 2014, turnover for FY 2015 declined slightly by 0.5% (\$0.9 million) from \$182.4 million to \$181.5 million. The decline resulted from lower turnover from Telecom business segment, partially offset by higher turnover from Infocomm business segment.

**Telecommunications (Telecom)**

On a YOY comparison, turnover in Q4 2015 increased 18.2% (\$3.0 million) from \$16.1 million to \$19.1 million. The increase was mainly due to higher sales in microwave radio equipment in both the Asia Pacific market and the Middle East and Africa market.

Compared to FY 2014, turnover for FY 2015 declined 6.7% (\$4.1 million) from \$61.9 million to \$57.8 million. The decrease resulted from lower sales in the Middle East and Africa market, partially offset by higher sales in the Asia Pacific market.

**Infocomm**

The Infocomm business segment comprises two business areas, namely Network Infrastructure and Payment Solutions.

On a YOY comparison, turnover in Q4 2015 increased 0.5% (\$0.1 million) from \$32.2 million to \$32.3 million. Compared to FY 2014, turnover for FY2015 increased 2.7% (\$3.2 million) from \$120.5 million to \$123.7 million.

**Network Infrastructure**

Turnover for Network Infrastructure business area for the quarter declined 4.2% (\$0.9 million) YOY from \$21.2 million to \$20.3 million. Compared to FY 2014, turnover for FY2015 also declined 4.5% (\$3.6 million) YOY from \$80.6 million to \$77.0 million. The decline in turnover for the quarter and FY 2015 mainly resulted from lower sales of network equipment to the Service Provider market sector.

**Payment Solutions**

Turnover for Payment Solutions business area for the quarter increased 9.7 % (\$1.0 million) YOY from \$11.0 million to \$12.0 million mainly due to higher sales of terminals. Compared to FY 2014, turnover for FY2014 increased 17.2% (\$6.8 million) YOY from \$39.9 million to \$46.7 million as a result of higher contribution from terminal sales and leasing.

(b) **Gross Profit**

On a YOY comparison, gross profit for Q4 2015 increased 6.9% from \$15.7 million to \$16.8 million as a result of higher turnover. Gross profit margin % ("GP%") improved slightly from 32.5% to 32.6%.

Compared to FY 2014, gross profit for FY2015 decreased 1.4% from \$60.4 million to \$59.5 million. GP% declined from 33.1% to 32.8%. The fluctuations in gross profit and GP% can be attributed to sales mix in product, project and higher services and leasing income.

**(c) Other operating income**

The lower other operating income of \$0.2 million for FY 2015, as compared to FY 2014, was mainly due to lower government grants and suppliers' rebates.

**(d) Operating Expenses**

On a YOY comparison, total operating expenses for Q4 2015 increased 10.0% (\$1.1 million) from \$10.3 million to \$11.4 million. Compared to FY 2014, total operating expenses for FY2015 also increased 4.6% (\$1.9 million) from \$40.7 million to \$42.6 million.

Distribution and selling expenses increased \$1.3 million (19.3%) YOY for the quarter and \$1.2 million (4.3%) YOY for the full year mainly due to higher payroll related and operational costs, and higher provision made for doubtful debt.

Administrative expenses declined 9.7% (\$0.3 million) YOY for the quarter mainly due to lower payroll related costs. For FY 2015, administrative expenses increased 1.7% (\$0.2 million) YOY mainly due to higher rental costs (from new office in Myanmar and expansion of office space in certain countries) and higher depreciation expenses. This was partially offset by lower payroll related costs.

The increase in other operating expenses for FY 2015 as compared to FY 2014 was mainly due to higher exchange loss, arising from the weakening of the Malaysian Ringgit and the Indonesian Rupiah.

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

PBT for Q4 2015 declined 3.3% from \$5.4 million to \$5.2 million mainly due to the higher operating expenses. PBT as a percentage of turnover ("PBT %") for Q4 2015 was lower at 10.1% compared to 11.1% in Q4 2014.

Compared to FY 2014, PBT for FY2015 declined 16.7% from \$20.2 million to \$16.8 million mainly due to lower gross profit, higher operating expenses and higher exchange loss. PBT % for FY 2015 was lower at 9.3% compared to 11.1% for FY 2014.

**(f) Cash flow**

For Q4 2015, the Group generated positive cashflow from operating activities of \$2.6 million, which more than offset the outlay in capital expenditure of \$0.9 million. Accordingly, there is an increase in cash and cash equivalents for the quarter.

For FY 2015, the Group generated positive cashflow from operating activities of \$7.0 million. The decrease in cash and cash equivalents of \$2.3 million was mainly due the payments of final dividend of \$7.2 million for FY2014 in May 2015, \$9.1 million interim dividend for FY 2015 in August 2015, and \$4.8 million outlay on capital expenditure. The decrease was partially offset by net loans taken up of \$11.6 million.

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

Not applicable.

**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.**

In FY2015, the Group secured approximately \$207.0 million in order in-take, a decline of 4.6% compared to \$217.0 million in FY2014.

**Telecommunications (Telecom)**

In FY2015, the Group's Telecom business segment secured approximately \$76.6 million in order in-take, an increase of 7.9% compared to \$71.0 million in FY2014 due mainly to higher microwave radio equipment orders from mobile operators in the Middle East and Africa market.

Mobile Operators will continue to invest in expanding their wireless infrastructure network to provide higher capacity, better coverages and capabilities to support their customers' demand for information and content using their fixed or mobile devices as well as to comply with regulatory standards on availability and quality of services.

Competition in the mobile industry remains intense as wireless solutions providers are aggressively trying to increase their market share and customers are demanding lower capex and opex spending to deliver their services.

The Group will continue to provide a comprehensive end-to-end wireless infrastructure network, comprising of point-to-point and point-to-multi-point radio transmission systems, mobile in-building coverage solutions, wifi 3G data offload and network performances management systems as well as wireless solutions to non-mobile markets such as the Defence, Broadcast and Utilities customers.

**Infocomm**

In FY 2015, the Group's Infocomm business segment managed to secure approximately \$130.4 million of order in-take compared to \$145.9 million in FY2014, a decline of 10.6% due to delays in order in-take from the Network Infrastructure business.

**Network Infrastructure**

In FY 2015, the Group's Network Infrastructure business area managed to secure approximately \$80.2 million in order in-take, a decline of 16.0% compared to \$95.5 million in 2014 due to delays in order in-take from customers. One of the customers has since issued a S\$10m purchase order to the Group and this order was announced in January 2016.

The demand for network infrastructure products and solutions from Service Providers is driven by the increase in internet / web services, mobility, security concerns and regulatory compliances. In the Enterprises, Government, Transport and Utilities sectors, customers will continue to invest in their network infrastructure to increase productivity and improve their competitiveness as well as using IT to provide public services at lower costs.

The optical network industry have gone through a consolidation in 2015 with smaller players being acquired by larger players. Competition in the network equipment market remains intense and fragmented with both local resellers, distributors and system integrators, as well as global equipment vendors competing to increase their market share.

The Group will focus on providing various IP, Optical and Broadcast network infrastructure such as routing, switching, security and network performance products, solutions and services to meet various customers' needs, as well as gradually building up a range of cloud infrastructure products and solutions to enable our customers to roll out cloud services.

#### Payment Solutions

In FY 2015, the Group's Payment Solutions business area secured approximately a similar level of order intake as in 2014 (\$50.2 million compared to \$50.4m in FY 2014).

The growth in the payment solutions business will be driven by the increase in debit and credit cards, card spend, various types of transactions and government initiatives to go cashless, banks outsourcing their point-of-sale infrastructure, security as well as increased regulatory and industry standards and compliances.

Competition in the payment solutions business remains high and fragmented with many local players representing various brands.

The Group will continue to focus on providing a comprehensive and secured end-to-end electronic payment infrastructure products, solutions and related services as well as various business models to banks, financial institutions, transport and retail industry.

## **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)	1 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)	2 cents
Tax Rate	Tax exempt

### **(c) Date payable**

20 May 2016

### **(d) Books closure date**

9 May 2016

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

Not applicable

## **13. If the Group has obtained a general mandate from 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.**

No IPT mandate has been obtained.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

In view of the latest guideline in relation to Rule 702(1) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual, the Company will procure signed undertakings from all its Directors and executive officers based on the latest revised form set out in Appendix 7.7 on or before 30 April 2016. This will replace and supersede the undertakings previously signed by the Directors and executive officers as announced on 5 November 2015.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**15. 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**

<b>FY 2015</b>	Telecom S\$'000	Infocomm S\$'000	Total S\$'000
Revenue	57,792	123,721	181,513
Cost of sales	(33,037)	(88,958)	(121,995)
<b>Gross Profit</b>	<b>24,755</b>	<b>34,763</b>	<b>59,518</b>
Other operating income	152	444	596
Distribution and selling expenses	(11,430)	(18,740)	(30,170)
Administrative expenses	(4,000)	(7,799)	(11,799)
Other operating expenses	(67)	(570)	(637)
<b>Profits from operations</b>	<b>9,410</b>	<b>8,098</b>	<b>17,508</b>
Financial income			40
Financial expenses			(709)
<b>Profit before taxation</b>			<b>16,839</b>
Taxation			(3,438)
<b>Profit after taxation</b>			<b>13,401</b>
<b>Other Information</b>			
Segment assets	46,176	76,309	122,485
Unallocated assets			26,639
<b>Total assets</b>			<b>149,124</b>
Segment liabilities	28,277	28,940	57,217
Tax Liabilities			1,963
Unallocated liabilities			33,918
<b>Total liabilities</b>			<b>93,098</b>
Capital expenditure	940	3,895	4,835
Depreciation and amortisation	788	5,650	6,438
Other non-cash expenses	(833)	171	(662)

<b>FY 2014</b>	Telecom S\$'000	Infocomm S\$'000	Total S\$'000
Revenue	61,928	120,471	182,399
Cost of sales	(36,770)	(85,250)	(122,020)
<b>Gross Profit</b>	<b>25,158</b>	<b>35,221</b>	<b>60,379</b>
Other operating income	90	733	823
Distribution and selling expenses	(10,808)	(18,117)	(28,925)
Administrative expenses	(3,835)	(7,768)	(11,603)
Other operating expenses	250	(441)	(191)
<b>Profits from operations</b>	<b>10,855</b>	<b>9,628</b>	<b>20,483</b>
Financial income			108
Financial expenses			(364)
<b>Profit before taxation</b>			<b>20,227</b>
Taxation			(4,000)
<b>Profit after taxation</b>			<b>16,227</b>
<b>Other Information</b>			
Segment assets	38,722	78,092	116,814
Unallocated assets			29,586
<b>Total assets</b>			<b>146,400</b>
Segment liabilities	27,650	31,206	58,856
Tax Liabilities			1,832
Unallocated liabilities			24,764
<b>Total liabilities</b>			<b>85,452</b>
Capital expenditure	1,089	6,322	7,411
Depreciation and amortisation	569	4,903	5,472
Other non-cash expenses	(881)	295	(586)

### Geographical Segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows :

	Revenues		Non-current assets	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Asean	151,497	147,094	14,909	17,181
Middle East	12,896	16,278	132	160
Africa	14,413	15,679	74	104
Other Asian countries	2,025	3,066	4	22
Others	682	282	4	14
	181,513	182,399	15,123	17,481

Non-current assets information presented above consist of intangible assets and property, plant and equipment.

**16. 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

**17. A breakdown of sales as follows :**

	2015 S\$'000	2014 S\$'000	Increase / (Decrease)
(a) Sales reported for the first half year	90,520	84,446	7.2%
(b) Profit after tax before deducting minority interest for first half year	7,002	8,060	(13.1%)
(c) Sales reported for the second half year	90,993	97,953	(7.1%)
(d) Profit after tax before deducting minority interest for second half year	6,399	8,167	(21.6%)

**18. 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	16,185	21,714
Preference	-	-
Total	16,185	21,714

**19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there is no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(11) of the Listing Manual, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Foo Soon Soo  
Company Secretary

24 February 2016