

NERA TELECOMMUNICATIONS LTD

(Co. Reg. No. 197802690R)

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017
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.

	Group Fourth Quarter			Group Year Ended 31 December		
	2017 S\$'000	2016 S\$'000	Increase/ (Decrease) %	2017 S\$'000	2016 S\$'000	Increase/ (Decrease) %
<u>Continuing operations</u>						
Turnover	59,599	49,584	20.2	196,154	164,877	19.0
Cost of sales	(45,653)	(37,019)	23.3	(147,121)	(122,639)	20.0
Gross profit	13,946	12,565	11.0	49,033	42,238	16.1
Gross margin %	23.4%	25.3%	(1.9) pt	25.0%	25.6%	(0.6) pt
Other operating income	137	621	(77.9)	726	1,220	(40.5)
Distribution and selling expenses	(6,461)	(6,812)	(5.2)	(22,898)	(23,277)	(1.6)
Administrative expenses	(3,741)	(5,686)	(34.2)	(11,604)	(11,993)	(3.2)
Other operating expenses	(867)	257	nm	(2,151)	(2,717)	(20.8)
Profit from operating activities	3,014	945	218.9	13,106	5,471	139.6
Financial income	48	118	(59.3)	143	149	(4.0)
Financial expenses	(70)	(137)	(48.9)	(217)	(371)	(41.5)
Profit before taxation	2,992	926	223.1	13,032	5,249	148.3
% of Turnover	5.0%	1.9%	3.1 pt	6.6%	3.2%	3.4 pt
Tax	(713)	4	nm	(4,492)	(1,363)	229.6
Profit from continuing operations, net of tax	2,279	930	145.1	8,540	3,886	119.8
% of Turnover	3.8%	1.9%	1.9 pt	4.4%	2.4%	2.0 pt
<u>Discontinued operation</u>						
Profit from discontinued operation, net of tax	—	365	nm	—	66,251	nm
Profit for the financial period/year attributable to shareholders	2,279	1,295	76.0	8,540	70,137	(87.8)
Other comprehensive income/(expenses):						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation of financial statements of foreign operations	259	(626)	nm	453	1,398	(67.6)
Items that may not be reclassified subsequently to profit or loss:						
Re-measurement of defined benefit obligation	56	221	(74.7)	(28)	221	nm
	315	(405)	nm	425	1,619	(73.7)
Total comprehensive income for the period/year	2,594	890	191.5	8,965	71,756	(87.5)

nm: not meaningful

'Continuing operations' refer to the Wireless Infrastructure Networks and Network Infrastructure operations.

'Discontinued operation' refers to the Payment Solutions operation.

	Note	Group Fourth Quarter			Group Year Ended 31 December		
		2017 S\$'000	2016 S\$'000	Increase / (Decrease) %	2017 S\$'000	2016 S\$'000	Increase / (Decrease) %
Profit from continuing operations for the period is arrived after crediting / (charging) the following:							
Over / (Under) provision of tax in respect of prior years	(1)	326	183	78.1%	(985)	539	nm
Amortisation of intangible asset		(17)	(16)	6.3%	(65)	(64)	1.6%
Bad debts (written off) / recovered		–	(23)	nm	–	(5)	nm
Depreciation of property, plant and equipment	(2)	(173)	(303)	(42.9%)	(729)	(1,160)	(37.2%)
Foreign exchange (loss)/gain	(3)	(574)	625	nm	(1,639)	(2,281)	(28.1%)
Interest expense	(4)	(70)	(137)	(48.9%)	(217)	(371)	(41.5%)
Interest income		48	118	(59.3%)	143	149	(4.0%)
Net (loss) / gain on disposal / write-off of property, plant and equipment		(70)	140	nm	(134)	243	nm
Net (allowance) / writeback for doubtful debts	(5)	(272)	(1,269)	(78.6%)	312	(579)	nm
Net allowance for stock obsolescence		(32)	(46)	(30.4%)	(32)	(42)	(23.8%)
Net provision for warranty	(6)	(269)	(19)	(1315.8%)	(1,035)	(16)	6368.8%
Net provision for liquidated damages	(7)	(669)	–	nm	(669)	–	nm

nm: not meaningful

Notes :

- (1) Over / (Under) provision of tax in Q4 2017 and FY 2017 were due to the differences in tax assessment and tax estimates made in prior years in foreign subsidiaries.
- (2) Decrease in depreciation of property, plant and equipment in Q4 2017 and FY 2017 were mainly due to the disposal of property, plant and equipment in FY2016.
- (3) Foreign exchange loss in Q4 2017 and FY 2017 were mainly due to devaluation of USD against the SGD and EUR, thus resulting in an unrealised exchange loss upon revaluation of USD receivables to SGD and EUR. Foreign exchange gain in Q4 2016 was mainly due to appreciation of Nigerian Naira against USD by approximately 3%, thus resulting in an unrealised exchange gain. Foreign exchange loss in FY 2016 was mainly due to significant devaluation of the Nigerian Naira against the USD.
- (4) Decrease in interest expense in Q4 2017 was due to lower interest rate. In FY 2017, the decrease in interest expense was due to lower bank borrowings with lower interest rate.
- (5) Allowance for doubtful debts in Q4 2017 was mainly attributed to Wireless Infrastructure Network customers in Afghanistan and Philippines and Network Infrastructure customers in Malaysia. Net writeback for doubtful debts in FY 2017 was mainly attributed to recovery from a customer in Malaysia.
- (6) Increase in provision for warranty in Q4 2017 and FY 2017 were mainly due to increase in project activities.
- (7) The provision for liquidated damages relates to delay in completion of a project in one of the foreign subsidiaries.

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	
	31/12/2017 S\$'000	31/12/2016 S\$'000	31/12/2017 S\$'000	31/12/2016 S\$'000
Non-current assets				
Property, plant and equipment	1,376	2,077	457	863
Intangible asset	838	903	838	903
Investment in subsidiaries	—	—	4,668	4,668
Long term trade and other receivables	784	990	762	990
Deferred tax assets	2,618	1,622	1,024	21
	5,616	5,592	7,749	7,445
Current assets				
Stocks	61	77	—	—
Contract work-in-progress	36,921	33,158	17,860	16,432
Trade receivables	87,778	65,864	22,633	13,241
Other receivables, deposits and prepayments	6,213	15,606	683	10,859
Amounts due from subsidiaries				
- trade	—	—	16,522	20,438
- non-trade	—	—	8,523	6,413
Fixed deposits	1,249	134	—	—
Cash and bank balances	19,450	22,751	7,103	5,298
	151,672	137,590	73,324	72,681
Current liabilities				
Trade payables	53,063	49,685	18,590	20,308
Other payables and accruals	16,663	14,943	8,519	7,817
Amounts due to subsidiaries (trade)	—	—	7	110
Short term borrowings	11,300	2,812	11,300	2,500
Provision for taxation	3,363	139	1,618	808
Provision for warranty	2,660	2,176	1,410	1,024
	87,049	69,755	41,444	32,567
Net current assets	64,623	67,835	31,880	40,114
Non-current liabilities				
Borrowings	—	6,773	—	6,773
Defined benefit obligation	422	374	—	—
	422	7,147	—	6,773
Net assets	69,817	66,280	39,629	40,786
Equity attributable to the equity holders of the Company				
Share capital	29,909	29,909	29,909	29,909
Revenue reserve	43,879	40,767	9,720	10,877
Translation reserve	(4,167)	(4,620)	—	—
Other reserve	196	224	—	—
	69,817	66,280	39,629	40,786

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

As at 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
–	11,300	–	2,812

Amount repayable after one year

As at 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
–	–	6,773	–

Details of any collateral

On 01 August 2017, the Group had restructured the secured borrowings to unsecured borrowings loan facility with a bank. The leasehold land and building at 109 Defu Lane 10 Singapore 539225 had been discharged as security after the repayment of outstanding secured loans.

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 Fourth Quarter		Group Year Ended 31 December	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Cash flows from operating activities				
Profit before taxation from continuing operations	2,992	926	13,032	5,249
Profit before taxation from discontinued operation	–	303	–	66,779
	2,992	1,229	13,032	72,028
Adjustments for :				
Amortisation of intangible assets	17	16	65	64
Depreciation of property, plant and equipment	173	251	729	4,940
Gain on divestiture of subsidiaries	–	43	–	(66,128)
Interest expense	70	111	217	583
Interest income	(48)	(114)	(143)	(157)
Net loss / (gain) on disposal of property, plant and equipment	70	(116)	134	(267)
Net allowance for stock obsolescence	32	38	32	937
Net allowance / (writeback) for doubtful debts	272	(111)	(312)	579
Net provision for warranty	269	11	1,035	63
Net provision for liquidated damages	669	–	669	–
Pension costs / (income)	132	(226)	49	(175)
Operating profit before working capital changes	4,648	1,132	15,507	12,467
(Increase) / Decrease in :				
Stocks	62	412	(16)	4,899
Contract work-in-progress	6,276	401	(3,763)	(7,085)
Trade receivables	(8,412)	(5,884)	(21,381)	(11,512)
Other receivables, deposits and prepayments	610	(1,437)	10,587	(2,035)
(Decrease) / increase in :				
Trade payables	824	11,607	3,380	8,958
Other payables and accruals	(1,893)	43	1,051	3,442
Provision for warranty	(62)	(167)	(551)	(294)
Effect of exchange rate changes	321	(903)	1,232	1,028
Cash flows from operations	2,374	5,204	6,046	9,868
Income taxes paid	(539)	(371)	(3,508)	(3,793)
Interest paid	(70)	(111)	(217)	(627)
Contribution to pension funds	(11)	1	(11)	(19)
Net cash flows from operating activities	1,754	4,723	2,310	5,429
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	–	114	22	276
Purchase of property, plant and equipment	(52)	919	(254)	(5,920)
Net cash inflow on disposal of subsidiaries	–	(43)	–	69,938
Interest received	47	114	126	157
Decrease of deposit pledged	8	1	5	116
Net cash flows generated from / (used in) investing activities	3	1,105	(101)	64,567
Cash flows from financing activities				
Dividends paid to shareholders	–	(54,284)	(5,428)	(61,522)
Proceeds from bank loans	453	12,025	12,144	19,929
Repayment of bank loans	(624)	(15,018)	(10,434)	(26,603)
Refund of unclaimed dividends	–	–	–	20
Net cash flows used in financing activities	(171)	(57,277)	(3,718)	(68,176)
Net increase / (decrease) in cash and cash equivalents	1,586	(51,449)	(1,509)	1,820
Effect of exchange rate changes on cash and bank balances	(86)	240	(672)	161
Cash and cash equivalents at beginning of the year	19,070	73,960	22,751	20,770
Cash and cash equivalents at end of the period/year	20,570	22,751	20,570	22,751
Cash and cash equivalents comprise:				
Cash and bank balances	19,450	22,751	19,450	22,751
Fixed deposits	1,249	134	1,249	134
	20,699	22,885	20,699	22,885
Fixed deposits pledged	(129)	(134)	(129)	(134)
	20,570	22,751	20,570	22,751

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 Fourth Quarter and Full Year Ended 31 December	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Other Reserve S\$'000	Total S\$'000
Group					
Balance as at 01.10.2017	29,909	41,600	(4,426)	140	67,223
Total comprehensive income for the period	—	2,279	259	56	2,594
Dividend paid	—	—	—	—	—
Balance as at 31.12.2017	29,909	43,879	(4,167)	196	69,817
Balance as at 01.01.2017	29,909	40,767	(4,620)	224	66,280
Total comprehensive income for the year	—	8,540	453	(28)	8,965
Dividend paid	—	(5,428)	—	—	(5,428)
Balance as at 31.12.2017	29,909	43,879	(4,167)	196	69,817
Balance as at 01.10.2016	29,909	93,756	(3,994)	3	119,674
Total comprehensive income for the period	—	1,295	(626)	221	890
Dividend paid	—	(54,284)	—	—	(54,284)
Balance as at 31.12.2016	29,909	40,767	(4,620)	224	66,280
Balance as at 01.01.2016	29,909	32,132	(6,018)	3	56,026
Total comprehensive income for the year	—	70,137	1,398	221	71,756
Dividend paid	—	(61,522)	—	—	(61,522)
Refund of unclaimed dividends	—	20	—	—	20
Balance as at 31.12.2016	29,909	40,767	(4,620)	224	66,280
Company					
Balance as at 01.10.2017	29,909	8,106	—	—	38,015
Total comprehensive income for the period	—	1,614	—	—	1,614
Dividend paid	—	—	—	—	—
Balance as at 31.12.2017	29,909	9,720	—	—	39,629
Balance as at 01.01.2017	29,909	10,877	—	—	40,786
Total comprehensive income for the year	—	4,271	—	—	4,271
Dividend paid	—	(5,428)	—	—	(5,428)
Balance as at 31.12.2017	29,909	9,720	—	—	39,629
Balance as at 01.10.2016	29,909	66,904	—	—	96,813
Total comprehensive income for the period	—	(1,743)	—	—	(1,743)
Dividend paid	—	(54,284)	—	—	(54,284)
Balance as at 31.12.2016	29,909	10,877	—	—	40,786
Balance as at 01.01.2016	29,909	5,246	—	—	35,155
Total comprehensive income for the year	—	67,133	—	—	67,133
Dividend paid	—	(61,522)	—	—	(61,522)
Refund of unclaimed dividends	—	20	—	—	20
Balance as at 31.12.2016	29,909	10,877	—	—	40,786

- 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 2017. As at 31 December 2017, there was no share options granted (31 December 2016 : Nil). There was also no treasury share in issue as at the end of the current financial period (31 December 2016 : 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 2016 : 361,897,000).

- (1)(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 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 nor reviewed by the Company's auditor.

- 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 2016 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 Standards ("FRSs") that are mandatory for the financial year beginning on or after 1 January 2017, 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 2017.

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 Fourth Quarter		Group Year Ended 31 December	
	2017	2016	2017	2016
Earnings per Ordinary Share from continuing operations attributable to shareholders for the period/year:				
(i) Basic (cents)	0.63	0.26	2.36	1.07
(ii) Fully diluted (cents)	0.63	0.26	2.36	1.07
Weighted average number of shares for the period/year:				
(i) Basic ('000)	361,897	361,897	361,897	361,897
(ii) Fully diluted ('000)	361,897	361,897	361,897	361,897

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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	19.29	18.31	10.95	11.27

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.**

Consolidated Statement of Comprehensive Income

Continuing operations

(a) Turnover

On a year-on-year ("YOY") basis, the Group's turnover for Q4 2017 increased by 20.2% (\$10.0 million) to \$59.6 million in Q4 2017 from \$49.6 million in Q4 2016. The increase in turnover was largely driven by higher turnover from both the Network Infrastructure and Wireless Infrastructure Network business segments.

Compared to FY 2016, the Group's turnover for FY 2017 increased by 19.0% (\$31.3 million) from \$164.9 million to \$196.2 million, lifted by higher turnover from both the Network Infrastructure and Wireless Infrastructure Network business segments.

Network Infrastructure

On a YOY basis, turnover for Q4 2017 increased by 14.7% (\$4.6 million) to \$35.9 million from \$31.3 million, mainly due to higher turnover booked from Service Provider markets in Singapore, Philippines and Australia.

Compared to FY 2016, turnover for FY 2017 increased by 18.9% (\$19.4 million) to \$122.1 million from \$102.7 million, mainly due to higher turnover booked from Service Provider markets in Singapore, Philippines and Australia.

Wireless Infrastructure Network

On a YOY basis, turnover for Q4 2017 increased by 29.6% (\$5.4 million) to \$23.7 million from \$18.3 million, mainly driven by higher turnover from both the Asia Pacific and the Middle East and Africa markets.

Compared to FY 2016, turnover for FY 2017 increased by 19.1% (\$11.9 million) to \$74.1 million from \$62.2 million. The increase in turnover was mainly due to higher turnover in the Middle East and Africa markets, partially offset by lower turnover in the Asia Pacific markets.

(b) Gross Profit

On a YOY basis, gross profit for Q4 2017 increased by 11.0% (\$1.3 million) to \$13.9 million from \$12.6 million mainly due to higher turnover. The gross profit margin decreased from 25.3% to 23.4% due to lower gross profit margin from equipment turnover.

Compared to FY 2016, gross profit for FY 2017 increased by 16.1% (\$6.8 million) to \$49.0 million from \$42.2 million, in line with the higher turnover. The gross profit margin was lower at 25.0% (FY 2016: 25.6%) due to lower gross profit margin from equipment turnover.

(c) Other operating income

On a YOY basis, other operating income for Q4 2017 decreased by \$0.5 million to \$0.1 million from \$0.6 million. Compared to FY 2016, other operating income for FY 2017 decreased by \$0.5 million to \$0.7 million from \$1.2 million. The decrease was largely due to lower income generated from services rendered to Ingenico to facilitate a smooth transition after the divestiture of the Payment Solutions (“PS”) business and lower wages credit scheme payment received from the Government in Q1 2017.

(d) Operating Expenses

On a YOY basis, total operating expenses for Q4 2017 decreased by 9.6% (\$1.1 million) to \$11.1 million from \$12.2 million. The decrease was mainly due to lower distribution and selling expenses and administrative expenses. Compared to FY 2016, total operating expenses for FY 2017 decreased by 3.5% (\$1.3 million) to \$36.7 million from \$38.0 million. The decrease in operating expenses was largely contributed by lower distribution and selling expenses, administrative expenses and other operating expenses.

Distribution and selling expenses decreased by 5.2% (\$0.4 million) YOY for the quarter mainly due to lower payroll-related costs. For FY2017, the decrease of 1.6% (\$0.4 million) was mainly attributed to recovery of doubtful debts from a customer, partially offset by higher payroll-related costs.

Administrative expenses decreased by 34.2% (\$1.9 million) YOY for the quarter and 3.2% (\$0.4 million) for FY2017, mainly due to lower payroll and staff related costs. In Q4 2016 there were an accrual of the former CEO’s remuneration for the remaining service period with the company and the accrual of dispute claims from former employees.

Other operating expenses decreased by 20.8% (\$0.6 million) in FY 2017 mainly due to lower exchange loss compared to that in FY 2016 when higher exchange losses were recorded resulting from the devaluation of the Nigerian Naira against the USD.

(e) Profit before taxation from continuing operations (“PBT”)

The Group registered a profit before tax of \$3.0 million in Q4 2017 and \$13.0 million in FY 2017, an increase of \$2.1 million and \$7.8 million YOY, respectively. These were mainly contributed by higher gross profit and lower operating expenses as explained in (b) and (d) above.

PBT as a percentage of turnover (“PBT %”) for Q4 2017 was higher at 5.0% compared to 1.9% in Q4 2016, and 6.6% for FY 2017 compared to 3.2% in FY 2016.

(f) Tax

On a YOY basis, tax expense for Q4 2017 increased by \$0.7 million in line with higher taxable profits. Compared to FY 2017, tax expense increased by \$3.1 million due to higher taxable profit, differences in tax assessment and tax estimates made in prior years for foreign subsidiaries

Statement of Financial Position

(g) Current assets

The Group's current assets increased by \$14.1 million mainly due to higher trade receivables from higher level of invoicing towards the end of Q4 2017 and higher contract work-in-progress. These were partially offset by lower other receivables due to the release of \$10.0 million maintained in an escrow account in relation to the divestiture of the PS business.

(h) Current liabilities

The Group's current liabilities increased by \$17.3 million mainly due to higher trade payables from increase in turnover activities and higher short term borrowings.

(i) Non-current liabilities

The Group's non-current liabilities decreased by \$6.7 million mainly due to the repayment of bank loans.

(j) Cash flow

For Q4 2017, there was an increase in cash and cash equivalents of \$1.6 million mainly due to:

- positive cash flow from operating activities of \$1.8 million as a result of higher operating profits; partially offset by
- net repayment of bank loans of \$0.2 million.

For FY 2017, the decrease in cash and cash equivalents of \$1.5 million was mainly due to:

- purchase of plant, property and equipment of \$0.3 million;
- payment of dividends of \$5.4 million; partially offset by
- net proceeds from bank loans of \$1.7 million; and
- positive cash flow from operating activities of \$2.3 million mainly due to higher operating profits. Negative changes in working capital from higher receivables and contract work-in-progress were offset by higher payables.

As a result of the above, the Group's cash and cash equivalents stood at \$20.6 million as at 31 December 2017 compared to \$22.8 million as at 31 December 2016. As of 31 December 2016, there was a net cash inflow of \$70.0 million from the divestiture of PS business.

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.

Continuing operations

In FY 2017, the Group secured approximately \$196.1 million in order in-take, an increase of 5.9% (\$10.9 million) compared to \$185.2 million in FY 2016, driven by higher orders from the Network Infrastructure business segment.

The Group maintains a long-term view to ensure sustainable growth, and will continue to capitalise on growth opportunities through the vertical extension of its value chain.

Network Infrastructure

In FY 2017, the Group's Network Infrastructure business segment secured approximately \$124.0 million of order in-take, an increase of 12.5% (\$13.8 million) compared to \$110.2 million in FY 2016. This was largely contributed by higher order in-take from the Service Provider market.

Network Security and Digitisation will continue to be the key drivers for growth. The Group will therefore continue to develop its capabilities in these domains in order to address our customers' needs.

The Group will also continue to strengthen offerings in other business domains such as data centre/cloud, software define networking where it has observed an increase in demand from its client base.

Wireless Infrastructure Network

In FY 2017, the Group's Wireless Infrastructure Network business segment secured order in-take of approximately \$72.1 million, a decrease of 3.9% (\$2.9 million) compared to \$75.0 million in FY 2016 with lower orders received from the Middle East and Africa markets.

The Group believes that demand for wireless infrastructure networks will continue to be driven by Mobile Operators expanding their network capabilities in order to meet increasing digital needs from end users.

The Group will continue to provide a comprehensive suite of end-to-end wireless solutions – comprising microwave radios, mobile coverage solutions, network performances and management solutions – to capitalise on the digitisation wave.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.5 cents
Tax Rate	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.5 cents
Tax Rate	Tax exempt

(c) Date payable

25 May 2018

(d) Books closure date

9 May 2018

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.

There is no IPT mandate obtained.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14. 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**

Financial Year 2017	WIN S\$'000	NI S\$'000	Total S\$'000
Turnover	74,111	122,043	196,154
Cost of sales	(53,741)	(94,380)	(147,121)
Gross Profit	21,370	27,663	49,033
Other operating income	158	568	726
Distribution and selling expenses	(9,795)	(13,103)	(22,898)
Administrative expenses	(4,582)	(7,022)	(11,604)
Other operating expenses	(1,321)	(830)	(2,151)
Profits from operations	5,830	7,276	13,106
Financial income			143
Financial expenses			(217)
Profit before taxation			13,032
Taxation			(4,492)
Profit after taxation			8,540
Other Information			
Segment assets	55,957	71,779	127,736
Unallocated assets			29,552
Total assets			157,288
Segment liabilities	22,963	32,760	55,723
Tax liabilities			3,363
Unallocated liabilities			28,385
Total liabilities			87,471
Capital expenditure	86	168	254
Depreciation and amortisation	544	250	794
Other non-cash expenses	857	567	1,424

Financial Year 2016	WIN S\$'000	NI S\$'000	Total S\$'000
Turnover	62,226	102,651	164,877
Cost of sales	(45,112)	(77,527)	(122,639)
Gross Profit	17,114	25,124	42,238
Other operating income	404	816	1,220
Distribution and selling expenses	(10,485)	(12,792)	(23,277)
Administrative expenses	(5,524)	(6,469)	(11,993)
Other operating expenses	(1,217)	(1,500)	(2,717)
Profits from operations	292	5,179	5,471
Financial income			149
Financial expenses			(371)
Profit before taxation			5,249
Taxation			(1,363)
Profit after taxation			3,886
Other Information			
Segment assets	39,148	63,921	103,069
Unallocated assets			40,113
Total assets			143,182
Segment liabilities	22,624	29,237	51,861
Tax liabilities			139
Unallocated liabilities			24,902
Total liabilities			76,902
Capital expenditure	73	226	299
Depreciation and amortisation	829	220	1,049
Other non-cash expenses	(151)	171	20

Geographical Segment

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

	Turnover		Non-current assets	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Singapore	81,196	57,515	2,068	2,772
Malaysia	32,983	37,452	156	205
Philippines	12,846	18,105	162	223
Indonesia	8,898	12,177	323	371
Australia	8,212	5,356	20	18
China	4,313	–	–	–
Thailand	2,660	4,076	175	190
Other Asian countries	2,616	2,636	26	68
Norway	15,599	15,260	–	3
Pakistan	6,705	5,843	42	52
Morocco	6,634	1,576	12	15
Burkina Faso	5,709	–	–	–
Dubai	3,305	176	14	24
Afghanistan	2,186	2,439	–	–
Nigeria	1,727	1,953	–	29
Other Middle East countries	70	313	–	–
Others	495	–	–	–
Total	196,154	164,877	2,998	3,970

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

15. 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.

16. A breakdown of sales as follows:

	2017 S\$'000	2016 S\$'000	Increase / (Decrease)
(a) Turnover reported for the first half year			
- Continuing operations	94,359	81,500	15.8%
- Discontinued operations	–	12,916	nm
(b) Profit after tax before deducting minority interest for first half year			
- Continuing operations	4,282	4,274	0.2%
- Discontinued operations	–	(306)	nm
(c) Turnover reported for the second half year			
- Continuing operations	101,795	83,377	22.9%
- Discontinued operations	–	15,643	nm
(d) Profit after tax before deducting minority interest for second half year			
- Continuing operations	4,258	(388)	nm
- Discontinued operations	–	66,557	nm

nm: denotes not meaningful

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

Annual Dividend Value	Year ended 31 December	
	2017 S\$'000	2016 S\$'000
Ordinary	5,428	61,522

- 18. 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.

- 19. 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).**

The Company confirms that it has procured undertakings from all its directors and from executive officers in the format set out in Appendix 7.7 under Rule 720(1).

On behalf of the Board

Wong Su-Yen
Chairman

Beck Tong Hong
Director

BY ORDER OF THE BOARD

Tan Wee Sin
Company Secretary

27 February 2018