

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

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 Second Quarter			Group Period ended 30 June		
	2018 S\$'000	2017 S\$'000	Increase/ (Decrease) %	2018 S\$'000	2017 S\$'000	Increase/ (Decrease) %
Turnover	47,411	50,250	(5.6)	89,014	94,359	(5.7)
Cost of sales	(35,039)	(38,511)	(9.0)	(66,014)	(71,295)	(7.4)
Gross profit	12,372	11,739	5.4	23,000	23,064	(0.3)
Gross margin %	26.1%	23.4%	2.7 pt	25.8%	24.4%	1.4 pt
Other operating income	(5)	141	nm	93	520	(82.1)
Distribution and selling expenses	(6,105)	(5,555)	9.9	(11,196)	(10,683)	4.8
Administrative expenses	(2,716)	(2,911)	(6.7)	(4,772)	(5,058)	(5.7)
Other operating expenses	327	67	388.1	(982)	(774)	26.9
Profit from operating activities	3,873	3,481	11.3	6,143	7,069	(13.1)
Financial income	125	26	380.8	161	72	123.6
Financial expenses	(44)	(28)	57.1	(113)	(98)	15.3
Profit before tax	3,954	3,479	13.7	6,191	7,043	(12.1)
<i>% of turnover</i>	8.3%	6.9%	1.4 pt	7.0%	7.5%	(0.5) pt
Tax	(841)	(2,056)	(59.1)	(1,341)	(2,761)	(51.4)
Profit after tax	3,113	1,423	118.8	4,850	4,282	13.3
<i>% of turnover</i>	6.6%	2.8%	3.8 pt	5.4%	4.5%	0.9 pt
Other comprehensive (expense) / income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation of financial statements of foreign operations	(316)	343	nm	445	44	911.4
Items that may not be reclassified subsequently to profit or loss:						
Re-measurement of defined benefit obligation	2	(1)	nm	(6)	(81)	(92.6)
	(314)	342	nm	439	(37)	nm
Total comprehensive income for the period	2,799	1,765	58.6	5,289	4,245	24.6

nm: not meaningful

		Group Second Quarter			Group Period ended 30 June		
		2018 S\$'000	2017 S\$'000	Increase / (Decrease) %	2018 S\$'000	2017 S\$'000	Increase / (Decrease) %
Profit for the period is arrived after crediting / (charging) the following:	Note						
Over / (Under) provision of tax in respect of prior years		(6)	(1,034)	(99.4)	68	(1,034)	nm
Amortisation of intangible asset		(16)	(16)	–	(32)	(32)	–
Depreciation of property, plant and equipment	(1)	(137)	(187)	(26.7)	(290)	(384)	(24.5)
Foreign exchange gain/(loss)	(2)	352	96	266.7	(941)	(653)	44.1
Interest expense	(3)	(44)	(28)	57.1	(113)	(98)	15.3
Interest income	(4)	125	26	380.8	161	72	123.6
Net gain on disposal / write-off of property, plant and equipment		1	4	(75.0)	1	4	(75.0)
Net writeback for doubtful debts	(5)	2	83	(97.6)	27	85	(68.2)
Net writeback / (provision) for warranty		31	(237)	nm	(122)	(480)	(74.6)

nm: not meaningful

Notes :

- (1) Decrease in depreciation of property, plant and equipment in Q2 2018 and 1H 2018 was due to certain assets being fully depreciated.
- (2) Foreign exchange gain in Q2 2018 was mainly due to strengthening of United States Dollar (“USD”) against the Singapore Dollar (“SGD”) and Euro (“EUR”), thus resulting in an unrealised exchange gain upon revaluation of USD receivables to SGD and EUR. Foreign exchange loss in 1H 2018 was mainly due to strengthening of USD against the Philippines Peso (“PHP”), Pakistani Rupee (“PKR”) and Indonesian Rupiah (“IDR”), thus resulting in an unrealised exchange loss upon revaluation of USD payables to PHP, PKR and IDR.
- (3) Increase in interest expense in Q2 2018 and 1H 2018 was mainly due to higher bank borrowings.
- (4) Increase in interest income in Q2 2018 and 1H 2018 was mainly due to higher interest accretion from long term receivables and interest income from bank.
- (5) Writeback for doubtful debts in Q2 2018 and 1H 2018 was mainly attributed to recovery from a Wireless Infrastructure Network customer in Middle East country.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance sheet as at	Group		Company	
	30/06/2018 S\$'000	31/12/2017 S\$'000	30/06/2018 S\$'000	31/12/2017 S\$'000
Non-current assets				
Property, plant and equipment	1,246	1,376	345	457
Intangible asset	806	838	806	838
Investment in subsidiaries	—	—	4,668	4,668
Long term trade receivables	756	784	717	762
Deferred tax assets	2,697	2,618	1,025	1,024
	5,505	5,616	7,561	7,749
Current assets				
Stocks	96	61	53	—
Contract assets	43,998	36,921	21,125	17,860
Trade receivables	87,026	87,778	24,934	22,633
Other receivables, deposits and prepayments	5,416	6,213	419	683
Amounts due from subsidiaries				
- trade	—	—	17,245	16,522
- non-trade	—	—	4,288	8,523
Fixed deposits	5,803	1,249	2,579	—
Cash and bank balances	13,841	19,450	4,224	7,103
	156,180	151,672	74,867	73,324
Current liabilities				
Trade payables	60,387	53,063	21,511	18,590
Other payables and accruals	19,976	16,663	13,602	8,519
Amounts due to subsidiaries (trade)	—	—	10	7
Short term borrowings	7,727	11,300	7,390	11,300
Provision for taxation	2,552	3,363	1,233	1,618
Provision for warranty	2,583	2,660	1,354	1,410
	93,225	87,049	45,100	41,444
Net current assets	62,955	64,623	29,767	31,880
Non-current liabilities				
Defined benefit obligation	404	422	—	—
	404	422	—	—
Net assets	68,056	69,817	37,328	39,629
Equity attributable to the equity holders of the Company				
Share capital	29,909	29,909	29,909	29,909
Revenue reserve	41,679	43,879	7,419	9,720
Translation reserve	(3,722)	(4,167)	—	—
Other reserve	190	196	—	—
	68,056	69,817	37,328	39,629

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

Amount repayable in one year or less, or on demand

As at 30/06/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
–	7,727	–	11,300

Amount repayable after one year

As at 30/06/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
–	–	–	–

Details of any collateral

Nil.

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 Second Quarter		Group Period ended 30 June	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Cash flows from operating activities				
Profit before tax	3,954	3,479	6,191	7,043
<u>Adjustments for :</u>				
Amortisation of intangible assets	16	16	32	32
Depreciation of property, plant and equipment	137	187	290	384
Interest expense	44	28	113	98
Interest income	(125)	(26)	(161)	(72)
Net gain on disposal / write-off of property, plant and equipment	(1)	(4)	(1)	(4)
Net writeback for doubtful debts	(2)	(83)	(27)	(85)
Net (writeback) / provision for warranty	(31)	237	122	480
Pension costs / (income)	2	—	(6)	(80)
Operating profit before working capital changes	3,994	3,834	6,553	7,796
(Increase) / Decrease in :				
Stocks	(43)	(50)	(35)	(80)
Contract assets	(5,423)	(8,992)	(7,077)	(4,410)
Trade receivables	(4,874)	(2,382)	679	(12,230)
Other receivables, deposits and prepayments	(488)	8,453	994	9,032
(Decrease) / increase in :				
Trade payables	6,529	14,688	7,323	11,423
Other payables and accruals	1,732	(1,984)	3,313	(1,340)
Provision for warranty	(42)	(336)	(199)	(417)
Effect of exchange rate changes	(255)	471	597	600
Cash flows from operations	1,130	13,702	12,148	10,374
Income taxes paid	(1,428)	(1,325)	(2,442)	(1,408)
Interest paid	(45)	(28)	(113)	(98)
Net cash flows (used in) / from operating activities	(343)	12,349	9,593	8,868
Cash flows from investing activities				
Purchase of property, plant and equipment	(140)	(57)	(181)	(100)
Interest received	111	48	132	55
Decrease / (Increase) of deposit pledged	38	(1)	34	3
Net cash flows from / (used in) investing activities	9	(10)	(15)	(42)
Cash flows from financing activities				
Dividends paid to ordinary shareholders	(5,428)	(1,809)	(5,428)	(1,809)
Dividend paid to preference shareholder by a subsidiary	(1,464)	—	(1,464)	—
Refund of unclaimed dividends	2	—	2	—
Proceeds from bank loans	3,451	351	11,339	824
Repayment of bank loans	(5,890)	(9,367)	(14,910)	(9,679)
Net cash flows used in financing activities	(9,329)	(10,825)	(10,461)	(10,664)
Net (decrease) / increase in cash and cash equivalents	(9,663)	1,514	(883)	(1,838)
Effect of exchange rate changes on cash and bank balances	(72)	(119)	(138)	(459)
Cash and cash equivalents at beginning of the year	29,284	19,059	20,570	22,751
Cash and cash equivalents at end of the period	19,549	20,454	19,549	20,454
Cash and cash equivalents comprise:				
Cash and bank balances	13,841	20,454	13,841	20,454
Fixed deposits	5,803	131	5,803	131
	19,644	20,585	19,644	20,585
Less: Deposits pledged	(95)	(131)	(95)	(131)
	19,549	20,454	19,549	20,454

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 Second Quarter and Half Year ended 30 June	Share Capital S\$'000	Revenue Reserve S\$'000	Translation Reserve S\$'000	Other Reserve S\$'000	Total S\$'000
Group					
Balance as at 01.04.2018	29,909	45,456	(3,406)	188	72,147
Total comprehensive income for the period	–	3,113	(316)	2	2,799
Dividend paid to ordinary shareholders	–	(5,428)	–	–	(5,428)
Dividend paid to preference shareholder by a subsidiary	–	(1,464)	–	–	(1,464)
Refund of unclaimed dividends	–	2	–	–	2
Balance as at 30.06.2018	29,909	41,679	(3,722)	190	68,056
Balance as at 01.01.2018 (as previously stated)	29,909	43,879	(4,167)	196	69,817
Effect of adoption of SFRS (I) 9	–	(160)	–	–	(160)
Balance as at 01.01.2018 (as restated)	29,909	43,719	(4,167)	196	69,657
Total comprehensive income for the period	–	4,850	445	(6)	5,289
Dividend paid	–	(5,428)	–	–	(5,428)
Dividend paid to preference shareholder by a subsidiary	–	(1,464)	–	–	(1,464)
Refund of unclaimed dividends	–	2	–	–	2
Balance as at 30.06.2018	29,909	41,679	(3,722)	190	68,056
Balance as at 01.04.2017	29,909	43,626	(4,919)	144	68,760
Total comprehensive income for the period	–	1,423	343	(1)	1,765
Dividend paid	–	(1,809)	–	–	(1,809)
Balance as at 30.06.2017	29,909	43,240	(4,576)	143	68,716
Balance as at 01.01.2017	29,909	40,767	(4,620)	224	66,280
Total comprehensive income for the period	–	4,282	44	(81)	4,245
Dividend paid	–	(1,809)	–	–	(1,809)
Balance as at 30.06.2017	29,909	43,240	(4,576)	143	68,716
Company					
Balance as at 01.04.2018	29,909	11,423	–	–	41,332
Total comprehensive income for the period	–	1,422	–	–	1,422
Dividend paid	–	(5,428)	–	–	(5,428)
Refund of unclaimed dividends	–	2	–	–	2
Balance as at 30.06.2018	29,909	7,419	–	–	37,328
Balance as at 01.01.2018	29,909	9,720	–	–	39,629
Total comprehensive income for the period	–	3,125	–	–	3,125
Dividend paid	–	(5,428)	–	–	(5,428)
Refund of unclaimed dividends	–	2	–	–	2
Balance as at 30.06.2018	29,909	7,419	–	–	37,328
Balance as at 01.04.2017	29,909	13,099	–	–	43,008
Total comprehensive income for the period	–	669	–	–	669
Dividend paid	–	(1,809)	–	–	(1,809)
Balance as at 30.06.2017	29,909	11,959	–	–	41,868
Balance as at 01.01.2017	29,909	10,877	–	–	40,786
Total comprehensive income for the period	–	2,891	–	–	2,891
Dividend paid	–	(1,809)	–	–	(1,809)
Balance as at 30.06.2017	29,909	11,959	–	–	41,868

- 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 31 March 2018. As at 30 June 2018, there was no share options granted (30 June 2017: Nil). There was also no treasury share in issue as at the end of the current financial period (30 June 2017: 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 2017: 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 consistently 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 2017, except for the adoption of Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to the International Financial Reporting Standards.

The Group adopted SFRS(I) on 1 January 2018, including improvements to SFRS(I) and Interpretations of SFRS(I) that are mandatory for financial years beginning on or after 1 January 2018, and in the half year ended 30 June 2018, where applicable.

The Group expects that the adoptions of the SFRS(I) will have no material impact on the financial statements in the year of initial application.

The adoption of these new / revised standards and interpretations applicable for the financial year beginning 1 January 2018 did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results.

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.

Please refer to item 4 above.

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 Second Quarter		Group Period ended 30 June	
	2018	2017	2018	2017
Earnings per Ordinary Share attributable to shareholders for the period:				
(i) Basic (cents)	0.86	0.39	1.34	1.18
(ii) Fully diluted (cents)	0.86	0.39	1.34	1.18
Weighted average number of shares for the period:				
(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	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (in cents) :	18.81	19.29	10.31	10.95

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

(a) Turnover

On a year-on-year ("YOY") basis, the Group's turnover for Q2 2018 decreased by 5.6% (\$2.9 million) to \$47.4 million in Q2 2018 from \$50.3 million in Q2 2017. Both the Network Infrastructure and Wireless Infrastructure Network business segments reported lower turnover. The decrease in turnover was largely due to the delay in project completions.

Compared to 1H 2017, the Group's turnover for 1H 2018 decreased by 5.7% (\$5.4 million) from \$94.4 million to \$89.0 million, due to lower turnover from both the Network Infrastructure and Wireless Infrastructure Network business segments.

Network Infrastructure (“NI”)

On a YOY basis, turnover for Q2 2018 decreased marginally by 0.3% (\$0.1 million) to \$30.8 million from \$30.9 million, mainly due to lower turnover recorded in Indonesia and Australia, partially offset by higher turnover in Singapore.

Compared to 1H 2017, turnover for 1H 2018 decreased by 3.7% (\$2.3 million) to \$59.1 million from \$61.4 million, mainly due to lower turnover booked from Service Provider markets in Philippines and Indonesia, partially offset by higher turnover booked from Service Provider markets in Singapore.

Wireless Infrastructure Network (“WIN”)

On a YOY basis, turnover for Q2 2018 decreased by 14.4% (\$2.8 million) to \$16.6 million from \$19.4 million, mainly due to lower turnover in the Middle East and Africa markets.

Compared to 1H 2017, turnover for 1H 2018 decreased by 9.4% (\$3.1 million) to \$29.9 million from \$33.0 million. The decrease in turnover was mainly due to lower turnover in the Middle East and Africa markets, partially offset by higher turnover in Philippines.

(b) Gross Profit

On a YOY basis, gross profit for Q2 2018 increased by 5.4% to \$12.4 million from \$11.7 million mainly due to higher gross profit margin, which increased to 26.1% from 23.4%.

Compared to 1H 2017, gross profit for 1H 2018 decreased marginally by 0.3% (\$0.1 million) to \$23.0 million from \$23.1 million mainly due to lower turnover. The gross profit margin increased to 25.8% from 24.4% due to higher writeback from project closures.

(c) Other operating income

On a YOY basis, other operating income for Q2 2018 and 1H 2018 decreased by \$0.1 million and \$0.4 million respectively. Higher other operating income in Q2 2017 and 1H 2017 was largely due to income generated from services rendered to Ingenico to facilitate a smooth transition after the divestiture of the Payment Solutions business.

(d) Operating Expenses

On a YOY basis, total operating expenses for Q2 2018 increased by 1.2% (\$0.1 million) to \$8.5 million from \$8.4 million. The increase in operating expenses for Q2 2018 was mainly due to higher distribution and selling expenses, partially offset by lower administrative expenses and other operating expenses.

Compared to 1H 2017, total operating expenses for 1H 2018 increased by 3.0% (\$0.5 million) to \$17.0 million from \$16.5 million. The increase in operating expenses for 1H 2018 was mainly due to higher distribution and selling expenses and other operating expenses, partially offset by lower administrative expenses.

Distribution and selling expenses increased by 9.9% (\$0.6 million) YOY for the quarter and 4.8% (\$0.5 million) for 1H 2018 mainly due to higher payroll and staff related costs and lower writeback for doubtful debts.

Administrative expenses decreased by 6.7% (\$0.2 million) YOY for the quarter and 5.7% (\$0.3 million) YOY for 1H 2018 mainly due to lower other administrative expenses.

The decrease in other operating expenses for Q2 2018 was mainly due to the strengthening of USD against the SGD and EUR, thus resulting in an unrealised exchange gain upon revaluation of USD receivables to SGD and EUR. For 1H 2018, the other operating expenses increased by 26.9% (\$0.2 million) was mainly due to strengthening of USD against the PHP, PKR and IDR, thus resulting in an unrealised exchange loss upon revaluation of USD payables to PHP, PKR and IDR.

(e) Profit before tax ("PBT")

The Group registered a profit before tax of \$4.0 million in Q2 2018, an increase of 13.7% YOY. This was mainly due to higher gross profit.

Compared to 1H2017, the PBT for 1H2018 decreased by 12.1% (\$0.8 million) from \$7.0 million to \$6.2 million, mainly due to higher operating expenses as explained in (d) above.

Consequently, PBT as a percentage of turnover for Q2 2018 was higher at 8.3% compared to 6.9% in Q2 2017, whilst PBT as a percentage of turnover for 1H 2018 was lower at 7.0% compared to 7.5% in 1H 2017.

(f) Tax

On a YOY basis, tax expenses for Q2 2018 decreased by \$1.2 million. Compared to 1H 2017, tax expense decreased by \$1.4 million. The decreases were due to 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 \$4.5 million mainly due to higher contract assets arising from delay in project completion, partially offset by lower other receivables.

(h) Current liabilities

The Group's current liabilities increased by \$6.2 million mainly due to higher trade payables and other payables, partially offset by repayment of short term bank borrowings.

(k) Cash flow

For Q2 2018, the decrease in cash and cash equivalents of \$9.7 million mainly due to:

- payment of FY2017 dividend of \$5.4 million;
- payment of dividend to preference shareholder by a subsidiary of \$1.5 million;
- repayment of net bank loans of \$2.4 million; and
- negative cash flow from operating activities of \$0.3 million as a result of increase in contract assets and trade/others receivables offset by increase in trade and payables.

For 1H 2018, the decrease in cash and cash equivalents of \$0.9 million mainly due to:

- payment of FY2017 dividend of \$5.4 million;
- payment of dividend to preference shareholder by a subsidiary of \$1.5 million; and
- repayment of net bank loans of \$3.6 million; partially offset by
- positive cash flow from operating activities of \$9.6 million as a result of positive change in working capital from higher trade and other payables offset by increase in contract assets.

As a result of the above, the Group's cash and cash equivalents stood at \$19.5 million as at 30 June 2018 compared to \$20.5 million as at 30 June 2017.

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 1H 2018, the Group secured approximately \$97.9 million in order in-take, a decrease of 19.9% (\$24.3 million) compared to \$122.2 million in 1H 2017, due mainly to lower orders from both the Network Infrastructure and Wireless Infrastructure Network business segments that was partly caused by delays in award of tenders.

The Group maintains a long-term view to ensure sustainable growth in business, and will continue to capitalise on growth opportunities through the vertical extension of its value chain. It also seeks to encourage existing customers to engage the Group for services and maintenance contracts that offer healthier margins and to strengthen its recurring income streams.

Network Infrastructure (“NI”)

In 1H 2018, the Group’s Network Infrastructure business segment secured approximately \$69.3 million of order in-take, a decrease of 9.6% (\$7.4 million) compared to \$76.7 million in 1H 2017 due mainly to lower order in-take from the Service Provider markets.

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 defined networking where it has observed an increase in demand from its client base.

Wireless Infrastructure Network (“WIN”)

In 1H 2018, the Group’s Wireless Infrastructure Network business segment secured order in-take of approximately \$28.6 million, a decrease of 37.1% (\$16.9 million) compared to \$45.5 million in 1H 2017 due mainly to a delays in the award of some key projects in EMEA.

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	Interim (one-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent
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	Interim (one-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent
Tax Rate	Tax exempt

11. Dividend

(c) Date payable

7 September 2018.

(d) Books closure date

27 August 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.

14. Negative assurance confirmation on interim financial results under Rule 705(5) of the SGX-ST.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the second quarter and half year financial statements for the period ended 30 June 2018, to be false or misleading in any material respect.

On behalf of the Board

Wong Su-Yen
Chairman

Beck Tong Hong
Director

15. 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 has procured the revised undertakings from all directors and from executive officers in the format set out in Appendix 7.7 under Rule 720(1).

BY ORDER OF THE BOARD

Tan Wee Sin
Company Secretary

8 August 2018