

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

**MATERIAL VARIANCES BETWEEN UNAUDITED FULL YEAR FINANCIAL STATEMENTS
AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

The Board of Directors (the “Board”) of Nera Telecommunications Ltd (the “Company” and together with its subsidiaries, the “Group”) refers to the announcement of the unaudited financial statements for the financial year ended 31 December 2021 (“FY2021”) (“Announcement”) released by the Company on 01 March 2022.

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Board wishes to announce the material variances between the audited financial statements of the Company for FY2021 (“Audited Results”) and the Announcement, following the finalisation of the audit.

The material variances between the Announcement and the Audited Results are set out as follows:

Balance Sheets as at 31 December 2021								
\$'000	Group				Company			
	Unaudited	Audited	Variance	Note	Unaudited	Audited	Variance	Note
Non-current assets								
Right-of-use assets	3,860	1,116	2,744	a	2,899	155	2,744	a
Deferred tax	781	979	(198)	c	239	239	–	n.m
Current assets								
Assets held for sale	–	2,744	(2,744)	a	–	2,744	(2,744)	a
Current liabilities								
Other payables and accruals	8,722	8,671	51	d	1,732	1,859	(127)	e
Lease liabilities	894	803	91	b	144	53	91	b
Liabilities directly associated with the assets held for sale	–	2,888	(2,888)	b	–	2,888	(2,888)	b
Non-current liabilities								
Lease liabilities	3,217	420	2,797	b	2,900	103	2,797	b
Equity								
Revenue reserve	19,070	19,008	62	n.m	8,430	7,816	614	e

Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2021				
\$'000	Unaudited	Audited	Variance	Note
Other (expenses) / income	(1,551)	(1,638)	87	f
Tax	(1,112)	(934)	(178)	c

Consolidated Statement of Cash Flow as at 31 December 2021				
\$'000	Group		Variance	Note
	Unaudited	Audited		
Cash flows from operating activities				
Gain on sale of customer contracts	(861)	(774)	(87)	f
Contract assets	(4,208)	(4,609)	401	g
Trade payables	(3,206)	(2,892)	(314)	h
Other payables and accruals	(415)	(487)	72	d

Note:

- a. The holding company has re-classified leasehold building as assets held for sale in accordance with applicable accounting standards. The Company has granted an Option to Purchase on 07 April 2022. Details were announced by the Company on 07 April 2022.
- b. Reclassification of long-term lease liability directly associated with the assets held for sale.
- c. The adjustment for tax provision made for two foreign subsidiaries.
- d. Addition accrual of audit fee of \$125,000 for the Group and partially offset by reclassification of \$176,000 from other payables and accruals to trade receivables.
- e. Decrease in revenue reserve was contributed by the accrual of additional audit fee booked of \$125,000; increase in expected credit losses of trade receivables and contract assets of \$112,000 and the additional expected credit losses of intercompany balances booked of \$377,000.
- f. Adjustment booked for disposal of equipment held for sales of customer contracts.
- g. Increase in contract assets booked from foreign subsidiaries.
- h. Increase in trade payable resulted from the additional project costs booked.

There is no material change for the reported loss after tax in FY2021 of \$15,932,000 for the Announcement as compared to the audited results of \$15,994,000.

BY ORDER OF THE BOARD

Chan Wan Mei and Chan Lai Yin
Joint Company Secretaries

13 April 2022