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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

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		
		2013 S$'000	2012 S$'000	Increase/ (Decrease) %	2013 S$'000	2012 S$'000	Increase/ (Decrease) %
Turnover		**44,455**	**45,374**	**(2.0)**	**178,217**	**178,839**	**(0.3)**
Cost of sales		(28,844)	(31,324)	(7.9)	(117,586)	(122,932)	(4.3)
Gross profit		**15,611**	**14,050**	**11.1**	**60,631**	**55,907**	**8.4**
Other operating income		132	952	(86.1)	1,122	3,739	(70.0)
Negative goodwill on acquisition of subsidiary	(1)	-	-	0.0	7,051	-	N.M.
Distribution and selling expenses		(7,757)	(7,768)	(0.1)	(27,943)	(25,390)	10.1
Administrative expenses		(3,083)	(2,899)	6.3	(11,544)	(10,433)	10.6
Other operating expenses		(724)	286	(353.1)	(1,916)	(867)	121.0
Profit from operations		**4,179**	**4,621**	**(9.6)**	**27,401**	**22,956**	**19.4**
Financial expenses		(68)	(51)	33.3	(256)	(328)	(22.0)
Financial income		62	39	59.0	196	163	20.2
Profit after financial items		**4,173**	**4,609**	(9.5)	**27,341**	**22,791**	20.0
Share of results of an associate	(1)	-	155	(100.0)	159	851	(81.3)
Profit before taxation		**4,173**	**4,764**	**(12.4)**	**27,500**	**23,642**	**16.3**
Taxation		(324)	(893)	(63.7)	(4,032)	(4,245)	(5.0)
Profit after taxation		**3,849**	**3,871**	**(0.6)**	**23,468**	**19,397**	**21.0**
Other comprehensive income / (expense) :							
Items that may be reclassified subsequently to profit or loss :							
Foreign currency translation of financial statements of foreign operations		**(204)**	**(297)**	(31.3)	**(1,449)**	**(299)**	384.6
Total comprehensive income for the period		**3,645**	**3,574**	**2.0**	**22,019**	**19,098**	**15.3**

N.M. Not meaningful

Note :
(1) Negative goodwill arose from the acquisition of the remaining 70% equity interest in an associate as announced on 26 April 2013, where the fair value of net assets acquired exceeded the consideration paid. Accordingly, share of results of an associate decreased subsequent to the acquisition.

		Group 4th Quarter			Group Year ended 31 December		
		2013	2012	Increase / (Decrease)	2013	2012	Increase / (Decrease)
		S$'000	S$'000	%	S$'000	S$'000	%
Profit for the period is arrived at after crediting / (charging) the following :							
Adjustments for over / (under) provision of tax in respect of prior years		27	1	2,600.0	(15)	43	N.M.
Amortisation of intangible assets	(1)	(57)	(16)	256.3	(185)	(65)	184.6
Bad debts recovered		-	-	-	64	-	N.M.
Depreciation of property, plant and equipment	(2)	(1,184)	(802)	47.6	(4,879)	(3,332)	46.4
Ex-gratia payment to ex-directors of the Company		-	-	0.0	(325)	-	N.M.
Foreign exchange (loss) / gain		(611)	305	N.M.	(1,668)	(800)	108.5
Interest expense		-	(1)	(100.0)	-	(3)	(100.0)
Interest income	(3)	62	39	59.0	196	163	20.2
Loss on remeasurement of previously held interest in subsidiary acquired		-	-	-	(6)	-	N.M.
Net (loss) / gain on disposal / write-off of property, plant and equipment		(7)	(8)	(12.5)	14	(5)	N.M.
(Provision) / Writeback of provision for doubtful debts		(26)	58	N.M.	(209)	214	N.M.
Allowance for stock obsolescence		(42)	(83)	(49.4)	(259)	(51)	407.8
Provision for warranty		(285)	(429)	(33.6)	(645)	(992)	(35.0)
Other information							
Gross profit as a percentage of turnover		35.1%	31.0%	4.1	34.0%	31.3%	2.7
Profit for the period as a percentage of turnover		8.7%	8.5%	0.2	13.2%	10.8%	2.4
Profit for the period attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of period		5.8%	5.9%	(0.1)	35.5%	29.4%	6.1

N.M. Not meaningful

Notes :

(1) The higher amortisation expense resulted from amortisation of intangible asset arising from the acquisition of the remaining 70% equity interest in an associate.

(2) The increase in depreciation expense resulted from additional point-of-sale terminals purchased for leasing.

(3) The increase in interest income was mainly due to the inclusion of interest income from a new subsidiary, after the Group acquired the remaining 70% equity interest in an associate.

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	
		31/12/2013 S$'000	31/12/2012 S$'000	31/12/2013 S$'000	31/12/2012 S$'000
Equity					
Share capital		29,909	29,909	29,909	29,909
Revenue reserve		40,503	38,749	21,947	25,473
Translation reserve		(4,239)	(2,790)	-	-
		66,173	65,868	51,856	55,382
Non current assets					
Property, plant and equipment	(1)	14,585	8,671	4,162	3,643
Intangible assets		1,138	1,160	1,096	1,160
Investment in subsidiaries		-	-	5,037	4,602
Investment in an associate	(2)	-	2,896	-	199
Finance lease receivable		-	95	-	-
Deferred tax assets		1,531	1,800	36	282
		17,254	14,622	10,331	9,886
Current assets					
Stocks		2,521	5,916	1,642	4,990
Contract work-in-progress		23,978	18,750	12,351	7,171
Trade receivables		51,929	56,101	20,130	20,316
Finance lease receivable		148	276	-	-
Other receivables, deposits and prepayments		2,991	2,951	277	734
Due from subsidiaries (trade)		-	-	23,024	26,275
Due from subsidiaries (non-trade)		-	-	1,965	514
Due from an associate (trade)	(2)	-	1,160	-	1,160
Cash and cash equivalents		39,270	43,740	22,980	34,798
Total current assets		120,837	128,894	82,369	95,958
Current liabilities					
Trade payables		44,010	48,955	24,454	31,902
Other payables and accruals		19,101	19,038	11,877	12,846
Due to subsidiaries (non-trade)		-	-	333	382
Due to an associate (trade)	(2)	-	162	-	-
Due to an associate (non-trade)	(2)	-	240	-	-
Provision for taxation		3,251	3,762	1,804	2,878
Provision for warranty		5,534	5,484	2,376	2,454
Obligations under finance leases		-	7	-	-
Total current liabilities		71,896	77,648	40,844	50,462
Net current assets		48,941	51,246	41,525	45,496
Non current liability					
Deferred tax liability		(22)	-	-	-
Net Assets		66,173	65,868	51,856	55,382

Note :

(1) The significant increase in property, plant and equipment was mainly due to purchase of point-of-sale terminals for leasing to a bank in South East Asia.

(2) The Group acquired the remaining 70% equity interest in an associate as announced on 26 April 2013. As a result, the associate became a wholly-owned subsidiary.

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

Amount repayable in one year or less, or on demand

As at 31/12/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
S$'000 -	S$'000 -	S$'000 7	S$'000 -

Amount repayable after one year

As at 31/12/2013		As at 31/12/2012	
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 4th Quarter		Group Year ended 31 Dec	
	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'000
Cash flows from operating activities				
Profit before taxation	4,173	4,764	27,500	23,642
Adjustments for :				
Amortisation of intangible assets	57	16	185	65
Depreciation of property, plant and equipment	1,184	802	4,879	3,332
Interest expense	-	1	-	3
Interest income	(62)	(39)	(196)	(163)
Net loss / (gain) on disposal / write-off of property, plant and equipment	7	8	(14)	5
Allowance / (Writeback) of provision for doubtful debts	26	(58)	209	(214)
Allowance for stock obsolescence	42	83	259	51
Provision for warranty	285	429	645	992
Negative goodwill on acquisition of subsidiary	-	-	(7,051)	-
Loss on remeasurement of previously held interest in subsidiary acquired	-	-	6	-
Share of results of an associate	-	(155)	(159)	(851)
Operating profit before working capital changes	5,712	5,851	26,263	26,862
Decrease / (increase) in :				
Stocks	(580)	(3,965)	3,172	(2,715)
Contract work-in-progress	1,101	1,547	(1,479)	1,791
Trade receivables	6,941	4,152	10,687	387
Finance lease receivable	42	24	223	238
Other receivables, deposits and prepayments	983	(92)	106	(662)
Changes in associate balances	-	(981)	1,573	(279)
(Decrease) / increase in :				
Trade payables	778	2,249	(10,772)	(5,092)
Other payables and accruals	424	238	(513)	(73)
Provision for warranty	(88)	(277)	(661)	(1,298)
Cash flows from operations	15,313	8,746	28,599	19,159
Interest paid	-	(1)	-	(3)
Income taxes paid	(749)	(99)	(4,551)	(3,021)
Net cash flows from operating activities	14,564	8,646	24,048	16,135
Cash flows from investing activities				
Proceeds from disposal of fixed assets	32	14	65	75
Purchase of property, plant and equipment	(1,058)	(2,105)	(11,808)	(4,348)
Net cash inflow on acquisition of a subsidiary (Note 1)	-	-	5,335	-
Interest received	62	39	196	163
Net cash flows used in investing activities	(964)	(2,052)	(6,212)	(4,110)
Cash flows from financing activities				
Dividend paid to shareholders	-	-	(21,714)	(14,476)
Repayment of obligations under finance leases	-	(7)	(7)	(28)
Net cash flows used in financing activities	-	(7)	(21,721)	(14,504)
Net increase / (decrease) in cash and cash equivalents	13,600	6,587	(3,885)	(2,479)
Effect of exchange rate changes	(256)	(283)	(585)	(316)
Cash and cash equivalents at beginning of the period	25,926	37,436	43,740	46,535
Cash and cash equivalents at end of the period	39,270	43,740	39,270	43,740

Note 1 :

As announced on 26 April 2013, the Group acquired the remaining 70% equity interest in the originally 30%-owned associate, Nera (Malaysia) Sdn Bhd ("NMSB"). Upon the acquisition, NMSB became a wholly-owned subsidiary of the Group.

The fair value of the identifiable assets and liabilities of NMSB as at the date of acquisition were :

	31/03/2013 S$'000
Property, plant and equipment	88
Intangible asset	163
Deferred tax asset	68
Stock	15
Contract work-in-progress	3,749
Trade receivables	6,721
Other receivables	146
Due from related parties	852
Cash and cash equivalent	5,540
Trade payables	(5,827)
Other payables	(576)
Due to related parties	(37)
Provision for warranty	(396)
Provision for taxation	(141)
Total identifiable net assets acquired	10,365
Less : Negative goodwill	(7,051)
	3,314
Consideration transferred for the acquisition of NMSB	
Cash consideration	205
Fair value of equity interest in NMSB held by the Group immediately before the acquisition	3,109
	3,314
Effect of the acquisition of NMSB on cash flow	
Total consideration for 70% equity interest acquired	205
Less : Cash and cash equivalents of subsidiary acquired	(5,540)
Net cash inflow on acquisition	5,335

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$'000	Total S$'000
Group				
Balance as at 1.10.2013	29,909	36,654	(4,035)	**62,528**
Total comprehensive income for the period	-	3,849	(204)	3,645
Balance as at 31.12.2013	29,909	40,503	(4,239)	**66,173**
Balance as at 1.10.2012	29,909	34,878	(2,493)	**62,294**
Total comprehensive income for the period	-	3,871	(297)	3,574
Balance as at 31.12.2012	29,909	38,749	(2,790)	**65,868**
Company				
Balance as at 1.10.2013	29,909	17,698	-	**47,607**
Total comprehensive income for the period	-	4,249	-	4,249
Balance as at 31.12.2013	29,909	21,947	-	**51,856**
Balance as at 1.10.2012	29,909	23,944	-	**53,853**
Total comprehensive income for the period	-	1,529	-	1,529
Balance as at 31.12.2012	29,909	25,473	-	**55,382**

For Year ended 31 December	Share Capital S$'000	Revenue Reserve S$'000	Translation Reserve S$'000	Total S$'000
Group				
Balance as at 1.1.2013	29,909	38,749	(2,790)	**65,868**
Total comprehensive income for the year	-	23,468	(1,449)	22,019
Dividend paid	-	(21,714)	-	(21,714)
Balance as at 31.12.2013	29,909	40,503	(4,239)	**66,173**
Balance as at 1.1.2012	29,909	33,828	(2,491)	**61,246**
Total comprehensive income for the year	-	19,397	(299)	19,098
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 31.12.2012	29,909	38,749	(2,790)	**65,868**
Company				
Balance as at 1.1.2013	29,909	25,473	-	**55,382**
Total comprehensive income for the year	-	18,188	-	18,188
Dividend paid	-	(21,714)	-	(21,714)
Balance as at 31.12.2013	29,909	21,947	-	**51,856**
Balance as at 1.1.2012	29,909	28,118	-	**58,027**
Total comprehensive income for the year	-	11,831	-	11,831
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 31.12.2012	29,909	25,473	-	**55,382**

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 2013. As at 31 December 2013, there was no share options granted (31 December 2012 : nil). There was also no treasury share in issue as at the end of the current financial year (31 December 2012 : 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 2012 : 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 2012 : 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 2012 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 2013, 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 2013.

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 4th Quarter		Group Year ended 31 Dec	
	2013	2012	2013	2012
Earnings per Ordinary Share for the period based on net profit attributable to shareholders:	(cents)	(cents)	(cents)	(cents)
(i) basic earnings per share	1.06	1.07	6.48	5.36
(ii) fully diluted earnings per share	1.06	1.07	6.48	5.36

Basic earnings per ordinary share for the financial period ended 31 December 2013 was calculated based on the weighted average number of shares in issue of 361,897,000 (2012 : 361,897,000) ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 31 December 2013 was calculated based on the weighted average number of shares in issue of 361,897,000 ordinary shares (2012 : 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.

	Group		Company	
	31/12/2013 (cents)	31/12/2012 (cents)	31/12/2013 (cents)	31/12/2012 (cents)
Net Asset Value per ordinary share based on issued share capital	18.29	18.20	14.33	15.30

Net asset value per ordinary share as at 31 December 2013 and 31 December 2012 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

On a year-on-year ('YOY') comparison, turnover in Q4 2013 declined 2.0% ($0.9 million) from $45.4 million to $44.5 million. The decrease resulted from lower turnover from Telecom business segment, partially offset by higher turnover from Infocomm business segment.

Compared to FY 2012, turnover declined slightly by 0.3% ($0.6 million) from $178.8 million to $178.2 million. The decrease resulted from lower turnover from Infocomm business segment, partially offset by higher turnover from Telecom business segment.

Telecommunications (Telecom)

On a YOY comparison, turnover in Q4 2013 declined 27.5% ($6.0 million) from $21.8 million to $15.8 million. The decrease was mainly due to lower sales in microwave radio equipment in the Middle East and Africa market under the Wireless Infrastructure Network business area. The decrease was partially offset by higher sales in the Asia Pacific market.

Compared to FY 2012, turnover for FY 2013 increased slightly by 1.6% ($1.1 million) from $69.3 million to $70.4 million. The increase was from higher sales of satellite equipment. The sales in the Wireless Infrastructure Network business area was relatively stable at $65.4 million.

Infocomm

On a YOY comparison, turnover in Q4 2013 increased 21.7% ($5.1 million) from $23.5 million to $28.6 million. Compared FY 2012, turnover for FY2013 declined 1.6% ($1.7 million) from $109.5 million to $107.8 million.

Network Infrastructure
Turnover for Network Infrastructure business area for the quarter increased 20.9% ($3.3 million) YOY from $15.8 million to $19.1 million. However, compared to FY 2012, turnover for FY2013 declined 3.8% ($2.8 million) YOY from $73.1 million to $70.3 million. The changes in turnover for the quarter and FY 2013 mainly resulted from fluctuations in the sales of network equipment to the Service Provider market sector.

Payment Solutions
Turnover for Payment Solutions business area for the quarter increased 21.8% ($1.7 million) YOY from $7.8 million to $9.5 million mainly due to higher sales of terminals. Compared to FY 2012, turnover for FY2013 increased 3.0% ($1.1 million) YOY from $36.4 million to $37.5 million as a result of increased contribution from leasing revenue.

(b) Gross Profit

On a YOY comparison, gross profit for Q4 2013 increased 11.1% from $14.1 million to $15.6 million. Gross profit margin % ("GP%") improved from 31.0% to 35.1%.

Compared to FY 2012**,** gross profit for FY2013 increased 8.4% from $55.9 million to $60.6 million. GP% improved from 31.3% to 34.0%.

The improvement in gross profit and GP% can be attributed to sales mix in product, project and higher services and leasing income. In addition, certain projects realised higher profit margin upon their completion.

(c) Other operating income

The lower other operating income for Q4 2013 and FY 2013 as compared with the corresponding periods was mainly due to lower accounts receivable collection fee in relation to an OEM agreement signed on 19 January 2011.

(d) Operating Expenses

On a YOY comparison, total operating expenses for Q4 2013 increased 11.5% ($1.2 million) from $10.4 million to $11.6 million. Compared to FY 2012, total operating expenses for FY2013 increased 12.8% ($4.7 million) from $36.7 million to $41.4 million.

Distribution and selling expenses was stable at $7.8 million for the quarter but 10.1% ($2.6 million) higher compared to FY 2012. The increase was mainly due to higher payroll related costs, operational cost for the new subsidiary set up in Nigeria in February 2013, consolidation of expenses from Nera (Malaysia) Sdn Bhd ('NMSB') after it became a subsidiary and net provision of $0.15 million made for doubtful debts. In FY 2012, there was a net writeback of $0.2 million on doubtful debts provision made earlier.

Administrative expenses increased 6.3% ($0.2 million) YOY for the quarter and 10.6% ($1.1 million) YOY for FY 2013 mainly due to higher payroll related costs and consolidation of operational cost from NMSB after it became a subsidiary.

Other operating expenses increased for the quarter and full year mainly due to exchange loss of $0.6 million and $1.7 million respectively, compared to exchange gain in Q4 2012 of $0.3 million and exchange loss of $0.8 million for FY 2012.

(e) Profit Before Taxation ('PBT')

PBT for Q4 2013 decreased 12.4% from $4.8 million to $4.2 million mainly due to the higher operating expenses and lower other operating income, partially offset by higher gross profit.

Compared to FY 2012, PBT for FY2013 increased 16.3% from $23.6 million to $27.5 million mainly due to the negative goodwill arising from the acquisition of the remaining 70% equity interest in an associate. Excluding the negative goodwill, PBT for FY 2013 would be $3.2 million lower at $20.4 million. The decrease resulted from lower other operating income and higher operating expenses, partially offset by higher gross profit.

(f) Cash flow

For Q4 2013, the Group generated healthy positive cashflow, mainly from operational profit and substantial trade receivables collected during the quarter.

For FY 2013, the decrease in cash and cash equivalents was mainly due to the payment of final dividend for FY2012 and interim dividend for FY2013 and purchase of point-of-sale terminals for leasing business. This was partially offset by cash inflow from the acquisition of the subsidiary of $5.3 million.

For Q4 2013 and full year of 2013, the Group incurred $0.8 million and $10.6 million respectively on point-of-sales terminals for leasing. The remaining capital expenditure incurred was mainly for purchase of software licence needed for Wireless Infrastructure Network project implementation, motor vehicle and the new office set up cost.

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

N.A.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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

Telecommunications (Telecom)
Competition in the Telecom industry remains intense with major global telecom equipment vendors aggressively competing to gain market share and customers are driving down operational and capittal expenditures.

The Telecommunications business segment comprises two business areas : Wireless Infrastructure Networks ('WIN') and Satellite Communications ("Satcom").

In FY 2013, the Group's Telecom business segment secured approximately $67.6 million in order in-take, a decline of 7.6% compared to $73.2 million in FY 2012, as a result of lower orders from both WIN and Satcom business areas.

Wireless Infrastructure Networks
The growth in mobile data and smart devices as well as regulatory compliances has driven mobile operators to improve their wireless infrastructure, coverage, capacity and capabilities. This will benefit the Group as the Group has the ability to provide a comprehensive end-to-end wireless infrastructure network, comprising point-to-point and point-to-multipoint radios, solutions for indoor and outdoor coverage, data offload and wifi and network performance solutions.

The Group will continue to focus on offering its suite of WIN products and solutions to the Defence, Broadcasting and Utilities customers.

Satellite Communications
The Group will continue to offer a range of land, marine and handheld satellite terminals to Satellite Operators, ISP, Broadcasters, Government, Oil / Gas / Maritime and Enterprises market sectors. To streamline the wireless business, the Satcom business has been merged into WIN business area.

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

In FY 2013, the Group's Infocomm business segment managed to secure approximately $125.7 million of order in-take compared to $101.2 million in FY 2012, an increase of about 24.2% due to better order in-take from both the Network Infrastructure and Payment Solutions businesses.

Network Infrastructure
Competition in the network equipment market remains intense among various global equipment brands and local system integrators. The Group will continue to offer IP, Optical and Broadcast network infrastructure products and solutions to meet various customers' objectives.

In the Service Provider market, the growth in data, internet traffic, web services as well as regulatory compliances will continue to drive Service Providers to build and expand their networks. In the Enterprise market, the demand for network products and solutions are driven by the need for organisations to improve competitiveness and enhance their network security. In the Government, Transport and Utilities market sector, demand for IT infrastructure networks are driven by governments' drive to lower costs and improve public services.

In FY 2013, the Group's Network Infrastructure business area managed to secure approximately $84.4 million in order in-take, an increase of 28.1% compared to $65.9 million in 2012 due to higher order in-take from customers outside Singapore.

Payment Solutions

Competition in the payment solutions business remains high, fragmented with many local resellers partnering various point-of-sales terminal manufacturers to offer their products, solutions and services.

The Group will continue to focus on providing a secured end-to-end electronic payment network infrastructure, which comprises of point-of-sale terminals, solutions and services to the banks and financial institutions.

The rise in debit and credit cards spending, government cashless initiatives and banks outsourcing their point-of-sale infrastructure is driving the growth in the point-of-sale terminals deployment.

In FY 2013 the Group's Payment Solutions business area secured approximately $41.3 million in order in-take, an increase of 17.0% compared to $35.3 million in FY 2012 due to strong point-of-sale terminal orders from banks in Philippines and Thailand.

11. Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

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

(c) Date payable

To be announced at a later date

(d) Books closure date

To be announced at a later date.

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.

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

FY 2013	Telecom S$'000	Infocomm S$'000	Total S$'000
Revenue	70,368	107,849	178,217
Cost of sales	(45,311)	(72,275)	(117,586)
Gross Profit	**25,057**	**35,574**	**60,631**
Other operating income	1,035	87	1,122
Distribution and selling expenses	(10,784)	(17,159)	(27,943)
Administrative expenses	(3,590)	(7,954)	(11,544)
Other operating expenses	(774)	(1,142)	(1,916)
	10,944	9,406	**20,350**
Negative goodwill on acquisition of subsidiary			7,051
Profits from operations			**27,401**
Financial income			196
Financial expenses			(256)
Profit after financial items			**27,341**
Share of result of an associate			159
Profit before taxation			**27,500**
Taxation			(4,032)
Profit after taxation			**23,468**
Other Information			
Segment assets	36,568	57,731	94,299
Unallocated assets			43,792
Total assets			**138,091**
Segment liabilities	29,229	21,731	50,960
Tax Liabilities			3,251
Unallocated liabilities			17,707
Total liabilities			**71,918**
Capital expenditure	730	11,078	11,808
Depreciation and amortisation	441	4,623	5,064
Other non-cash expenses	96	953	1,049

FY 2012	Telecom S$'000	Infocomm S$'000	Total S$'000
Revenue	69,288	109,551	178,839
Cost of sales	(52,029)	(70,903)	(122,932)
Gross Profit	**17,259**	**38,648**	**55,907**
Other operating income	3,428	311	3,739
Distribution and selling expenses	(10,338)	(15,052)	(25,390)
Administrative expenses	(2,594)	(7,839)	(10,433)
Other operating expenses	(308)	(559)	(867)
Profits from operations	7,447	15,509	**22,956**
Financial income			163
Financial expenses			(328)
Profit after financial items			**22,791**
Share of result of an associate			851
Profit before taxation			**23,642**
Taxation			(4,245)
Profit after taxation			**19,397**
Other Information			
Segment assets	40,397	51,732	92,129
Investment in an associate			2,896
Unallocated assets			48,491
Total assets			**143,516**
Segment liabilities	31,657	24,678	56,335
Tax Liabilities			3,762
Unallocated liabilities			17,551
Total liabilities			**77,648**
Capital expenditure	466	3,882	4,348
Depreciation and amortisation	355	3,041	3,396
Other non-cash expenses	578	250	828

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	
	2013 S$000	2012 S$'000	2013 S$000	2012 S$'000
Singapore	61,406	72,042	5,258	4,803
Thailand	22,614	14,195	1,566	1,244
Morocco	21,516	15,688	84	91
Malaysia	18,075	10,265	731	549
Indonesia	17,204	21,341	4,748	240
Philippines	12,221	9,200	3,059	2,727
Pakistan	11,955	5,509	130	183
Afghanistan	3,514	16,336	-	-
Other Asian countries	4,861	5,123	28	36
Other Middle East countries	3,977	3,231	46	49
Others	874	5,909	73	4
	178,217	178,839	15,723	9,926

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

	2013 S$'000	**2012** S$'000	Increase / (Decrease)
(a) Sales reported for the first half year	83,634	85,270	(1.9%)
(b) Profit after tax before deducting minority interest for first half year	16,324	9,836	66.0%
(c) Sales reported for the second half year	94,583	93,569	1.1%
(d) Profit after tax before deducting minority interest for second half year	7,144	9,561	(25.3%)

17. 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	21,714	14,476
Preference	-	-
Total	21,714	14,476

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.

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary

20 February 2014