

**NERA TELECOMMUNICATIONS LTD**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 197802690R)

MATERIAL VARIANCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors ("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 2018 ("FY2018") ("Announcement") released by the Company on 01 March 2019.

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 FY2018 ("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:

Statement of Financial Position of the Company as at 31 December 2018

	Group (S\$'000)			Group (S\$'000)			Variance (S\$'000)		
	Unaudited			Audited			Note A		
	2018	2017	1.1.2017	2018	2017	1.1.2017	2018	2017	1.1.2017
Current assets									
Contract costs	12,231	12,584	8,964				12,231	12,584	8,964
Other receivables, deposits and prepayments	5,784	6,213	15,606	17,368	13,736	24,570	(11,584)	(7,523)	(8,964)
Total current assets	18,015	18,797	24,570	17,368	13,736	24,570	647	5,061	-

	Company (S\$'000)			Company (S\$'000)			Variance (S\$'000)		
	Unaudited			Audited			Note A		
	2018	2017	1.1.2017	2018	2017	1.1.2017	2018	2017	1.1.2017
Current assets									
Contract costs	11,858	12,519	8,833				11,858	12,519	8,833
Other receivables, deposits and prepayments	512	683	10,859	11,721	8,141	19,692	(11,209)	(7,458)	(8,833)
Total current assets	12,370	13,202	19,692	11,721	8,141	19,692	649	5,061	-

Note A

The above variances resulted from a reclassification of contract costs to other receivables, deposits and prepayments.

	Group (S\$'000)			Group (S\$'000)			Variance (S\$'000)		
	Unaudited			Audited			Note B		
	2018	2017	1.1.2017	2018	2017	1.1.2017	2018	2017	1.1.2017
Current liabilities									
Trade payables	30,694	35,887	27,321	32,146	30,827	28,848	(1,452)	5,060	(1,527)
Other payables and accruals	23,424	16,663	14,614	12,009	13,082	12,091	11,415	3,581	2,523
Contract liabilities	28,375	32,281	31,390	37,691	35,863	32,386	(9,316)	(3,582)	(996)
Total current liabilities	82,493	84,831	73,325	81,846	79,772	73,325	647	5,059	-

	Company (S\$'000)			Company (S\$'000)			Variance (S\$'000)		
	Unaudited			Audited			Note B		
	2018	2017	1.1.2017	2018	2017	1.1.2017	2018	2017	1.1.2017
Current liabilities									
Trade payables	10,418	15,310	12,150	11,704	10,249	12,150	(1,286)	5,061	-
Other payables and accruals	7,189	8,519	7,817	5,257	7,244	6,638	1,932	1,275	1,179
Contract liabilities	24,287	17,755	10,689	24,287	19,030	11,868	-	(1,275)	(1,179)
Total current liabilities	41,894	41,584	30,656	41,248	36,523	30,656	646	5,061	-

Note B

The above variances resulted from a reclassification of project accrued costs from other payables to trade payables; and a reclassification of unearned income and advances from customer from other payable to contract liabilities.

The above reclassification and changes arising from implementation of SFRS(I) 15 do not have any impact on the cash flows, net profit and net asset value of the Group, and on the net asset value of the Company for FY2018.

By Order of the Board

Chan Wan Mei
Company Secretary

03 April 2019