

NERA TELECOMMUNICATIONS LTD

(Co. Reg. No. 197802690R)

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	Group		
		2006 S\$'000	(Restated) 2005 S\$'000	Increase/ (Decrease) %
<u>Continuing operations</u>				
Turnover		140,343	166,291	(15.6)
Cost of sales		(109,965)	(133,657)	(17.7)
Gross profit		30,378	32,634	(6.9)
Other operating income		723	590	22.5
Distribution and selling expenses		(13,987)	(14,064)	(0.5)
Administrative expenses		(5,748)	(5,633)	2.0
Other operating expenses		(1,030)	(393)	162.1
Profit from operations		10,336	13,134	(21.3)
Financial expenses		(173)	(286)	(39.5)
Financial income		2,052	1,204	70.4
Exceptional item	(1)	28,777	-	N.M.
Profit after financial items		40,992	14,052	191.7
Share of results of associated company		(166)	(1,498)	(88.9)
Profit before taxation		40,826	12,554	225.2
Taxation		(3,059)	(3,247)	(5.8)
Profit for the year from continuing operations		37,767	9,307	305.8
<u>Discontinued operation</u>				
Profit for the year from a discontinued operation	(2)	5,420	9,016	(39.9)
Profit for the year		43,187	18,323	135.7
Attributable to:				
Equity holders of the Company		41,467	15,463	168.2
Minority interests		1,720	2,860	(39.9)
		43,187	18,323	135.7

	Group		
	2006	(Restated) 2005	Increase/ (Decrease)
	S\$'000	S\$'000	%
<u>Continuing operations</u>			
Profit for the year is arrived at after crediting/ (charging) the following :			
Adjustments for over / (under) provision of tax in respect of prior years	10	(51)	N.M.
Depreciation	(1,426)	(1,783)	(20.0)
Gain / (loss) on disposal of fixed assets	16	(47)	N.M.
Interest income	2,052	1,204	70.4
Foreign exchange (loss) / gain	(79)	232	N.M.
Provision for doubtful debts	(40)	(240)	(83.3)
Provision for stock obsolescence	(299)	(597)	(49.9)
Provision for warranty	(1,425)	(1,694)	(15.9)
Gross profit as a percentage of turnover	21.6%	19.6%	10.2
Profit for the year as a percentage of turnover	26.9%	5.6%	380.4
<u>Discontinued operation (up to date of disposal)</u>			
Profit for the year is arrived at after crediting/ (charging) the following :			
Adjustments for over / (under) provision of tax in respect of prior years	-	1,197	(100.0)
Depreciation	(1,165)	(1,483)	(21.4)
Interest income	340	374	(9.1)
Foreign exchange gain / (loss)	352	(318)	N.M.
(Provision) / Writeback for doubtful debts	(548)	93	N.M.
Provision for stock obsolescence	(1,118)	(1,561)	(28.4)
Provision for warranty	(532)	(1,302)	(59.1)
Gross profit as a percentage of turnover	17.8%	18.8%	(5.3)
Profit for the year as a percentage of turnover	7.7%	9.6%	(19.8)
<u>Other information</u>			
Profit for the year attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of year	62.0%	16.1%	285.1

N.M. Not meaningful

Note :

(1) Exceptional item

The exceptional item relates to the gain on disposal of a subsidiary company.

(2) Discontinued operation

On 14 September 2006, the Company completed the disposal of its 68.27% interest in a subsidiary company, Nera Electronics Ltd. The financial results of the discontinued operation up to date of disposal are as follows :

	Group		
	2006 S\$'000	(Restated) 2005 S\$'000	Increase/ (Decrease) %
<u>Discontinued operation</u>			
Turnover	70,696	94,310	(25.0)
Cost of sales	(58,083)	(76,586)	(24.2)
Gross profit	12,613	17,724	(28.8)
Other operating income	521	130	300.8
Distribution and selling expenses	(4,143)	(4,190)	(1.1)
Administrative expenses	(2,229)	(3,533)	(36.9)
Other operating expenses	(141)	(563)	(75.0)
Profit from operations	6,621	9,568	(30.8)
Financial expenses	(55)	(88)	(37.5)
Financial income	340	374	(9.1)
Profit before taxation	6,906	9,854	(29.9)
Taxation	(1,486)	(838)	77.3
Profit for the period / year from discontinued operation	5,420	9,016	(39.9)

1(b)(i) A balance sheet (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	
		31/12/2006 S\$'000	31/12/2005 S\$'000	31/12/2006 S\$'000	31/12/2005 S\$'000
Equity					
Share capital	(1)	29,906	18,094	29,906	18,094
Share premium	(1)	-	11,812	-	11,812
Capital reserve		-	4,951	-	-
Share option reserve		1	2	1	2
Revenue reserve		38,645	62,317	33,494	34,536
Translation reserve		(1,664)	(1,206)	-	-
		66,888	95,970	63,401	64,444
Minority interest	(2)	-	15,304	-	-
		66,888	111,274	63,401	64,444
Non current assets					
Fixed assets	(2)	6,379	10,703	4,309	3,809
Investment in subsidiaries	(2)	-	-	4,316	9,580
Investment in associated company		1,094	1,274	199	199
Deferred tax assets	(2)	875	2,612	175	682
		8,348	14,589	8,999	14,270
Current assets					
Stocks	(2)	5,642	35,990	4,320	7,851
Contracts-works-in-progress		18,627	11,444	16,794	11,444
Trade debtors	(2)	29,957	35,131	24,812	16,725
Other debtors, deposits and prepayments	(2)	1,863	3,663	569	373
Due from associated company (trade)		7,231	11,066	6,303	10,861
Due from associated company (non-trade)		1,263	1,263	1,263	1,263
Due from related companies (trade)	(2)	156	6,948	56	1,987
Due from subsidiaries (trade)		-	-	4,497	3,474
Due from subsidiaries (non-trade)		-	-	-	1,028
Fixed deposits		12,896	18,026	12,896	18,026
Cash and bank balances		12,935	37,063	10,088	9,819
Total current assets		90,570	160,594	81,598	82,851
Current liabilities					
Trade creditors	(2)	16,393	30,445	14,716	12,608
Other creditors and accruals	(2)	9,706	17,080	7,662	6,181
Provision for warranty	(2)	3,044	4,249	1,403	1,682
Due to subsidiaries (trade)		-	-	384	2,620
Due to associated company (trade)		18	18	-	-
Due to related companies (trade)	(2)	374	6,136	327	6,069
Provision for taxation	(2)	2,495	5,981	2,704	3,517
Total current liabilities		32,030	63,909	27,196	32,677
Net current assets		58,540	96,685	54,402	50,174
		66,888	111,274	63,401	64,444

Note :

- (1) As a result of the Companies (Amendment) Act 2005 which came into effect on 30 January 2006, the concept of authorised share capital and par value has been abolished. The amount standing to the credit of the share premium account has been transferred to the Company's share capital account in the current year.
- (2) Significant reductions in these balances as at 31 December were mainly due to the disposal of the Company's and Group's interest in a subsidiary company.

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

Amount repayable in one year or less, or on demand

As at 31/12/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 31/12/2006		As at 31/12/2005	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

Not applicable

1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group	
	Year ended 31 Dec	
	2006	2005
	S\$'000	S\$'000
Cash flows from operating activities		
Profit from continuing operations before taxation	40,826	12,554
Profit from discontinued operation before taxation	6,906	9,854
	<u>47,732</u>	<u>22,408</u>
Adjustments for :		
Depreciation of fixed assets	2,591	3,266
(Gain) / loss from disposal of fixed assets	(16)	47
Gain from disposal of a subsidiary company, net	(28,777)	-
Share-based payment expense	(1)	37
Provision for stock obsolescence	1,417	2,158
Provision for doubtful debts	588	147
Provision for warranty	1,957	2,996
Interest expense	-	14
Interest income	(2,392)	(1,578)
Share of results of associated company	166	1,498
	<u>23,265</u>	<u>30,993</u>
Operating profit before working capital changes		
Decrease / (increase) in :		
Trade debtors	(15,371)	3,400
Other debtors, deposits and prepayments	(2,484)	1,702
Stocks	(6,789)	(5,921)
Contracts-work-in-progress	(7,183)	(813)
Changes in related parties/associate balances	(703)	(3,255)
Increase/(decrease) in :		
Trade creditors	12,360	1,648
Other creditors and accruals	1,723	(498)
Provision for warranty	(1,287)	(2,492)
	<u>3,531</u>	<u>24,764</u>
Cash generated from operations		
Income taxes paid	(4,385)	(4,589)
Interest paid	-	(14)
Net cash flows (used in)/generated from operating activities	<u>(854)</u>	<u>20,161</u>
Cash flows from Investing activities		
Proceeds from disposal of fixed assets	19	59
Purchase of fixed assets	(3,929)	(3,994)
Interest received	2,392	1,578
Disposal of a subsidiary, net of cash disposed	(1) 39,508	-
Net cash flows generated from/(used in) investing activities	<u>37,990</u>	<u>(2,357)</u>
Cash flows from financing activities		
Repayment of lease obligations	-	(56)
Dividend paid to shareholders	(65,139)	(8,323)
Dividend paid to minority shareholders	(838)	(838)
Proceeds from issue of ordinary shares on exercise of employees' share options	-	414
Net cash flows used in financing activities	<u>(65,977)</u>	<u>(8,803)</u>
Net increase in cash and bank balances	(28,841)	9,001
Effect of exchange rate changes	(417)	162
Cash and bank balances at beginning of the year	55,089	45,926
Cash and bank balances at end of the year	<u>25,831</u>	<u>55,089</u>

Note :

(1) The carrying value of assets and liabilities disposed were as follows :

	<u>\$'000</u>
Fixed assets	5,640
Deferred tax assets	1,295
Trade and other receivables	28,893
Stocks	35,720
Cash and bank balances	18,847
Trade and other payables	(37,598)
Provision for taxation	(2,082)
	<u>50,715</u>
Minority interest	(16,186)
Attributable net assets disposed	<u>34,529</u>
Capital reserve released upon disposal of interest in subsidiary	(4,951)
Gain on disposal of subsidiary company	28,777
Net cash consideration received	<u>58,355</u>
Cash and bank balances of the subsidiary	(18,847)
Net cash inflow on disposal of a subsidiary	<u>39,508</u>

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 the year ended 31 Dec	Attributable to equity holders of the Company						Total	Minority Interests	Total Equity
	Share Capital	Share Premium	Revenue Reserve	Capital Reserve	Share Option Reserve	Translation Reserve			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group									
Balance as at 1.1.2006	18,094	11,812	62,317	4,951	2	(1,206)	95,970	15,304	111,274
Transfer of share premium reserve to share capital account	11,812	(11,812)	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	(458)	(458)	-	(458)
Share option	-	-	-	-	(1)	-	(1)	-	(1)
Net profit for the year	-	-	41,467	-	-	-	41,467	1,720	43,187
Dividends paid	-	-	(65,139)	-	-	-	(65,139)	(838)	(65,977)
Disposal of a subsidiary company	-	-	-	(4,951)	-	-	(4,951)	(16,186)	(21,137)
Balance as at 31.12.2006	29,906	-	38,645	-	1	(1,664)	66,888	-	66,888
Balance as at 1.1.2005	18,000	11,383	55,177	4,951	74	(1,428)	88,157	13,282	101,439
Foreign currency translation difference	-	-	-	-	-	222	222	-	222
Share option	94	429	-	-	(72)	-	451	-	451
Net profit for the year	-	-	15,463	-	-	-	15,463	2,860	18,323
Dividends paid	-	-	(8,323)	-	-	-	(8,323)	(838)	(9,161)
Balance as at 31.12.2005	18,094	11,812	62,317	4,951	2	(1,206)	95,970	15,304	111,274
The Company									
Balance as at 1.1.2006	18,094	11,812	34,536	-	2	-	64,444	-	64,444
Transfer of share premium reserve to share capital account	11,812	(11,812)	-	-	-	-	-	-	-
Share option	-	-	-	-	(1)	-	(1)	-	(1)
Net profit for the year	-	-	64,097	-	-	-	64,097	-	64,097
Dividends paid	-	-	(65,139)	-	-	-	(65,139)	-	(65,139)
Balance as at 31.12.2006	29,906	-	33,494	-	1	-	63,401	-	63,401
Balance as at 1.1.2005	18,000	11,383	30,414	-	74	-	59,871	-	59,871
Share option	94	429	-	-	(72)	-	451	-	451
Net profit for the year	-	-	12,445	-	-	-	12,445	-	12,445
Dividends paid	-	-	(8,323)	-	-	-	(8,323)	-	(8,323)
Balance as at 31.12.2005	18,094	11,812	34,536	-	2	-	64,444	-	64,444

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 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 2006. As at 31 December 2006, there were 1,570,000 (1,547,000 @ S\$0.625 and 23,000 @ S\$0.22) unexercised share options granted (31 December 2005 : 2,042,000).

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 except for the change in useful life for equipment held for leasing from 3 years to 5 years after a review of the useful life. The change is effective from 1 January 2006 and it resulted in a reduction in depreciation of \$482,000 for the year.

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 Section 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	
	Year ended 31 December	
	2006	2005
Earnings per Ordinary Share for the year based on net profit attributable to shareholders:	(cents)	(cents)
(i) basic - continuing operations	10.44	2.58
(ii) basic - discontinued operation	1.02	1.70
(iii) fully diluted - continuing operations	10.44	2.58
(iv) fully diluted - discontinued operation	1.02	1.70

Basic earnings per ordinary share for the financial year ended 31 December 2006 was calculated based on the weighted average number of shares in issue of 361,883,000 {2005: 361,315,521} ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 31 December 2006 was calculated based on the adjusted weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,892,022 ordinary shares {2005 : based on weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,327,021 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	
	31/12/2006	31/12/2005	31/12/2006	31/12/2005
	(cents)	(cents)	(cents)	(cents)
Net Asset Value per ordinary share based on issued share capital	18.48	26.52	17.52	17.81

Net asset value per ordinary share as at 31 December 2006 and 31 December 2005 was calculated based on the number of shares in issue of 361,883,000 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.

(i) Review of financial performance of continuing operations

(a) Turnover

Compared to FY2005, turnover decreased 15.6%, from S\$166.3 million to S\$140.3 million, due mainly to lower turnover from the Telecom business segment, partially offset by higher turnover from the Infocomm business segment.

Telecommunications (Telecom)

Turnover decreased by 27.1%, from S\$116.9 million to S\$85.2 million mainly due to lower sales of microwave radio equipment to certain customers and delays in projects and equipment deliveries from our supplier. Satellite sales were lower than 2005 due mainly to absence of sale of satellite terminals to a customer in Taiwan and Inmarsat Gateway to India.

Infocomm

Turnover increased by 11.6% from S\$49.4 million to S\$55.1 million. There were higher sales in fixed network infrastructure solutions to Telco customers but offset by lower sales in point-of-sale ("POS") terminals in Malaysia and DTT ("Digital Terrestrial TV") infrastructure equipment in Singapore.

(b) Gross Profit

Compared to FY2005, the Group's gross profit decreased by 6.9%, from S\$32.6 million to S\$30.4 million resulting mainly from the lower turnover. However, the gross margin % ("GM%") improved from 19.6% to 21.6% mainly due to higher GM% from Telecom business segment as a result of product / services sales mix and lower stock and warranty provisions.

(c) Operating Expenses

Compared to FY2005, the Group's total operating expenses increased by 3.4% (S\$0.7million) from S\$20.1 million to S\$20.8 million. Distribution and sales expenses remained fairly stable while the administrative expenses increased slightly by 2% (S\$0.1 million). Other operating expenses increased by S\$0.6 million mainly due to higher expenses in research and development and exchange loss in FY2006 compared to exchange gain in FY2005.

(d) Profit Before Taxation (PBT)

Compared to FY2005, PBT increased significantly by 225.2% mainly due to the exceptional gain of S\$28.8m. Excluding the exceptional gain, PBT reduced slightly by 4% from S\$12.5 million to S\$12.0 million resulting from the lower turnover in the Telecom business segment, partially offset by lower loss in the associated company. PBT% (excluding exceptional gain) improved from 7.5% to 8.6%, mainly due to higher GM% from the Telecom business segment, higher financial income and lower loss in the associated company.

(e) Cash flow

The significant decrease in cash and bank balances was mainly due to special dividends of 15 cents per share paid out in Q4 2006 from the proceeds from the disposal of the subsidiary, Nera Electronics Ltd.

(ii) Review of financial performance of discontinued operation (Contract Manufacturing)

The results of the discontinued operation was recognised up to August 2006. Accordingly, the turnover and profit recognised for FY2006 were lower than FY2005 mainly due to the four-month difference in the results recognition.

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

Telecommunications (Telecom)

The Telecommunication Transmission business area remains active and demand for wireless transmission infrastructure equipment are driven by mobile operators' continued investments into increasing their coverage, capacity and capabilities such as high speed broadband and video services into their mobile infrastructure. There are also a number of new and existing operators rolling out 3G mobile networks.

With the introduction of Evolution, Nera's new SDH access radio products, the Group will have a complete range of SDH trunk and access radios, and low capacity Compact IV PDH radios for the mobile markets as well as in the non-Telcos markets such as Defence, Broadcasting and Enterprises.

The Group has benefited from these positive development and has recently announced approximately S\$44 million in orders for SDH and PDH radio transmission equipment to customers in Asia.

In the Satellite business area, the Group previously had a mutually exclusive Representation Agreement with Nera Satcom AS Norway for their various products, but in 4Q06 Nera Satcom AS was acquired by Thrane & Thrane Denmark. The Group has reached an in-principle agreement with Thrane & Thrane Denmark to continue to distribute their land and marine mobile satellite terminals on a non-exclusive basis.

The Group intend to continue to promote the complete range of mobile satellite terminals to customers in Asia in particular the Inmarsat BGAN land terminals to selected markets sectors.

On the satellite systems business, we will continue to address the enhancements, upgrading and maintenance opportunities of current Inmarsat gateway customers as well as seeking new opportunities in the VSAT and satellite broadband to the satellite operator, government, defence and the broadcasting sectors.

Although there are numerous opportunities in the telecommunication industry, the market remains highly competitive and there are still on-going consolidation, creating fewer but larger companies. Customers are also constantly demanding for higher performance, lower price and shorter delivery time. Competition is expected to continue to be intense as many operators are aggressively targeting at increasing their market share.

Infocomm (IC)

Growth from the Infocomm industry is largely driven by the increase in various internet services such as VoIP, video, gaming, entertainment, etc. and consumer demand for higher speed and capacity, and secured connections. Operators, service providers, enterprises, government, etc. are investing in higher performances broadband, multi-service and secured infrastructure networks to improve efficiencies and competitiveness.

The Group with its competence in fixed networks, payment solutions, broadcasting and wireless access has reorganised its resources to focus on five (5) key market segments, namely Service Providers, Enterprises, Financial Institutions and Retail, Media & Broadcasting, and Government, Transportation and Utilities.

In the Service Provider market segment, Telcos and ISP demand for carrier class core networking equipment is driven by the growth in broadband and data related services. The convergence of mobile and fixed networks, multi-service IP networks as well as high speed wireless broadband access mesh wifi and wimax networks will also offer numerous business opportunities. The Group has managed to secure repeat orders for IP network infrastructure equipment from Telco customers and believe these customers will continue to invest in their networks.

In the Enterprise market segment, the Group is focusing mainly on delivering web security gateway, security solutions and Internet appliances to various SME's.

In the Financial & Retail market segment, the Group will focus on providing different types of payment terminals eg. contactless, wireless, IP, bio-metrics, etc. over a single acceptance platform. The Group has continued to secure direct purchase orders, rental, leasing and maintenance from various banks and financial institutions for EMV-compliant point-of-sale ("POS") terminals and more banks and financial institutions are expected to gradually migrate to EMV POS terminals. The Group has recently managed to secure sales and maintenance business to new customers in Thailand, Indonesia and Taiwan.

In the Media & Broadcasting market segment, the Group believes that Broadcasters will gradually migrate their analogue TV systems to digital systems. The Group is focusing on promoting its turnkey Digital Terrestrial TV (DVB T/H/M) infrastructure networks capabilities to potential Broadcasters.

In the Government, Transport and Utilities market segment, the Group intends to offer integrated infocomm infrastructure products and solutions to the defence, education, healthcare, utilities and transportation industries.

Competition in the Infocomm industry is keen and the market is dominated by major industry players in their respective fields. The Group intends to position itself as a regional Infocommunications infrastructure provider by strengthening its product portfolio management and concentrate on developing key competence to serve the various customer segments.

Merger of Eltek ASA and Nera ASA Norway

The merger of the two companies was completed in Q4 2006 and Eltek ASA is now the new parent company of the Company.

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)	3 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	Final (one-tier)
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1.225 cents	2.02 cents
Dividend Rate (in %)	24.5%	40.4%
Par value of shares	\$0.05	\$0.05
Tax Rate	20%	Tax exempt

(c) Date payable

18 May 2007

(d) Books closure date

Notice is hereby given that the Register of Members and Share Transfer Books of the Company will be closed on 9 May 2007 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Lim Associates (Pte) Ltd, at 3 Church Street #08-01, Samsung Hub, Singapore 049483 up to 5.00 p.m. on 8 May 2007 will be registered to determine shareholders' entitlements to the said dividend.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. 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

	Continuing Operations			Total	Discontinued	Total
	Telecom	Infocomm	Elimination		Operation	Operations
FY 2006	S\$'000	S\$'000	S\$'000	S\$'000	Contract Manufacturing S\$'000	Total S\$'000
Revenue	85,238	55,105	-	140,343	70,696	211,039
Inter-company sales	4,286	2,645	(6,931)	-	-	-
Total revenue	89,524	57,750	(6,931)	140,343	70,696	211,039
Cost of sales	(73,704)	(43,192)	6,931	(109,965)	(58,083)	(168,048)
Gross Profit	15,820	14,558	-	30,378	12,613	42,991
Other operating income	682	41	-	723	521	1,244
Distribution and selling expenses	(5,467)	(8,520)	-	(13,987)	(4,143)	(18,130)
Administrative expenses	(3,458)	(2,290)	-	(5,748)	(2,229)	(7,977)
Other operating expenses	(1,323)	293	-	(1,030)	(141)	(1,171)
Profits from operations	6,254	4,082	-	10,336	6,621	16,957
Interest income				2,052	340	2,392
Financial expenses				(173)	(55)	(228)
Exceptional item				28,777	-	28,777
Profit after financial items				40,992	6,906	47,898
Share of result of associated company				(166)	-	(166)
Profit before taxation				40,826	6,906	47,732
Taxation				(3,059)	(1,486)	(4,545)
Profit after taxation				37,767	5,420	43,187
Other Information						
Segment assets	47,444	21,811		69,255	-	69,255
Investment in associated company						1,094
Unallocated assets						28,569
Total assets						98,918
Segment liabilities	13,202	6,627		19,829	-	19,829
Tax Liabilities						2,495
Unallocated liabilities						9,706
Total liabilities						32,030
Capital expenditure	390	2,645		3,035	894	3,929
Depreciation	434	992		1,426	1,165	2,591

FY 2005	Continuing Operations				Discontinued Operation	Total Operations
	Telecom	Infocomm	Elimination	Total	Contract Manufacturing	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	116,932	49,359	-	166,291	94,310	260,601
Inter-company sales	8,119	1,640	(9,759)	-	-	-
Total revenue	125,051	50,999	(9,759)	166,291	94,310	260,601
Cost of sales	(107,030)	(36,386)	9,759	(133,657)	(76,586)	(210,243)
Gross Profit	18,021	14,613	-	32,634	17,724	50,358
Other operating income	308	282	-	590	130	720
Distribution and selling expenses	(6,109)	(7,955)	-	(14,064)	(4,190)	(18,254)
Administrative expenses	(3,805)	(1,828)	-	(5,633)	(3,533)	(9,166)
Other operating expenses	(574)	181	-	(393)	(563)	(956)
Profits from operations	7,841	5,293	-	13,134	9,568	22,702
Interest expense				(6)	(8)	(14)
Interest income				1,204	374	1,578
Financial expenses				(280)	(80)	(360)
Profit after financial items				14,052	9,854	23,906
Share of result of associated company				(1,498)	-	(1,498)
Profit before taxation				12,554	9,854	22,408
Taxation				(3,247)	(838)	(4,085)
Profit after taxation				9,307	9,016	18,323
Other Information						
Segment assets	45,610	16,236		61,846	45,422	107,268
Investment in associated company						1,274
Unallocated assets						66,641
Total assets						175,183
Segment liabilities	17,679	4,945		22,624	1,499	24,123
Tax Liabilities						5,981
Unallocated liabilities						33,805
Total liabilities						63,909
Capital expenditure	216	678		894	3,100	3,994
Depreciation	494	1,290		1,784	1,482	3,266

Geographical Segment

Turnover is based on the location of customers regardless of where the goods are produced. Assets and additions to property, plant and equipment are based on the location of those assets.

	Singapore		Other Asian		Others		Eliminations		Total	
	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000	2006 S\$'000	2005 S\$'000
Revenue	58,822	60,322	83,027	107,577	69,190	92,702	-	-	211,039	260,601
Inter-company sales	1,173	157	5,758	9,602	-	-	(6,931)	(9,759)	-	-
	59,995	60,479	88,785	117,179	69,190	92,702	(6,931)	(9,759)	211,039	260,601
Less: Revenue attributable to discontinued operation	(16,682)	(22,206)	(68)	(612)	(53,946)	(71,492)	-	-	(70,696)	(94,310)
Revenue from continuing operations	43,313	38,273	88,717	116,567	15,244	21,210	(6,931)	(9,759)	140,343	166,291
Assets	81,585	159,016	17,333	16,167	-	-	-	-	98,918	175,183
Capital expenditure	2,334	3,756	1,595	238	-	-	-	-	3,929	3,994

14. 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

15. A breakdown of sales

	2006 S\$'000	2005 S\$'000	Increase / (Decrease)
(a) Sales reported for the first half year			
- Continuing operations	73,929	84,466	(12.5%)
- Discontinued operation	52,517	48,118	9.1%
(b) Profit after tax before deducting minority interest for first half year			
- Continuing operations	4,476	4,653	(3.8%)
- Discontinued operation	4,147	3,827	8.4%
(c) Sales reported for the second half year			
- Continuing operations	66,414	81,825	(18.8%)
- Discontinued operation	18,179	46,192	(60.6%)
(d) Profit after tax before deducting minority interest for second half year			
- Continuing operations	33,291	4,654	615.3%
- Discontinued operation	1,273	5,189	(75.5%)

16. 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	65,139	8,323
Preference	-	-
Total	65,139	8,323

The above included an interim special dividend of 15 cents per ordinary share paid in 2006.

17. Aggregate value of interested persons transactions conducted pursuant to a shareholders' general mandate for the year ended 31 December 2006.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the details of the aggregate value of interested person transactions conducted pursuant to a shareholders' general mandate are as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000
Sales	
Nera Networks AS	19,507
Nera Networks, Inc.	8,520
Nera Satcom AS	2,665
Nera Broadband Satellite	517
Purchases	
Nera Networks AS	21,310
Nera Satcom AS	9,496
Nera Broadband Satellite	420
Other Operating Revenues	
Nera Networks AS	569

Nera Satcom AS is no longer part of the Nera ASA group with effect from October 2006. Accordingly, disclosure of transactions with Nera Satcom AS is up to September 2006.

BY ORDER OF THE BOARD

Tan Cher Liang
Julie Koh Ngin Joo
Company Secretaries

13 February 2007