

Company Registration No. 197802690R

**Nera Telecommunications Ltd  
and its Subsidiaries**

Condensed Interim Financial Statements (Unaudited)  
For the six months ended 30 June 2025

## **Nera Telecommunications Ltd and its Subsidiaries**

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**Nera Telecommunications Ltd and its Subsidiaries**

**Condensed Interim Statements of Financial Position  
As at 30 June 2025**

		Group		Company	
		30 June 2025	31 Dec 2024	30 June 2025	31 Dec 2024
	Note	(unaudited)	(audited)	(unaudited)	(audited)
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	5	2,402	2,686	1,144	1,332
Right-of-use assets		3,247	4,022	2,630	3,147
Intangible assets		384	430	378	419
Investments in subsidiaries		–	–	7,330	7,754
Long term trade and other receivables		237	243	–	–
Deferred tax assets		5,030	5,148	2,442	2,442
		11,300	12,529	13,924	15,094
<b>Current assets</b>					
Stocks	6	5,415	4,859	4,032	4,438
Contract assets		19,413	17,869	7,773	7,755
Trade receivables	8	30,491	37,978	9,389	13,586
Other receivables, deposits and prepayments		24,585	22,918	21,231	19,283
Amount due from immediate holding		44	–	44	–
Amounts due from subsidiaries					
- trade		–	–	2,558	635
- non-trade		–	–	4,513	6,130
Fixed deposits		3,557	3,708	3,557	3,708
Cash and bank balances		6,649	10,591	2,423	2,649
		90,154	97,923	55,520	58,184
<b>Current liabilities</b>					
Trade payables		19,476	20,733	6,895	6,294
Other payables and accruals		4,555	6,247	1,966	2,900
Contract liabilities		30,985	25,677	24,291	20,033
Amounts due to subsidiaries					
- trade		–	–	173	53
- non- trade		–	–	455	27
Short-term borrowings	10	403	9,108	–	7,822
Lease liabilities		1,589	1,679	1,275	1,258
Provision for taxation		171	279	–	–
Provision for warranty	9	489	490	404	407
		57,668	64,213	35,459	38,794
<b>Net current assets</b>		32,486	33,710	20,061	19,390
<b>Non-current liabilities</b>					
Lease liabilities		2,968	3,724	2,578	3,202
Defined benefit obligation		381	605	–	–
		3,349	4,329	2,578	3,202
<b>Net assets</b>		40,437	41,910	31,407	31,282
<b>Equity attributable to equity holders of the Company</b>					
Share capital	11	29,909	29,909	29,909	29,909
Revenue reserve		10,936	12,774	1,498	1,373
Translation reserve		(1,103)	(1,468)	–	–
Other reserve		695	695	–	–
		40,437	41,910	31,407	31,282

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the 6 months ended 30 June 2025**

	Note	6 months ended 30 Jun 2025 (unaudited) \$'000	6 months ended 30 Jun 2024 (unaudited) (Restated) \$'000	Increase/ (Decrease) %
Revenue	7	44,709	47,332	(5.5)
Cost of sales		(35,442)	(35,669)	0.6
<b>Gross profit</b>		9,267	11,663	(20.5)
Distribution and selling expenses		(3,619)	(5,620)	35.6
Administrative expenses		(5,109)	(5,285)	3.3
Other (expenses) / income	12	(2,085)	369	nm
<b>(Loss) / profit from operating activities</b>	13	(1,546)	1,127	nm
Finance income	15	88	187	(52.9)
Finance expenses	16	(277)	(278)	0.4
<b>(Loss) / profit before tax</b>		(1,735)	1,036	nm
Tax	17	(103)	315	nm
<b>(Loss) / profit after tax</b>		(1,838)	1,351	nm
<b>Other comprehensive income / (loss) :</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation of financial statements of foreign operations		365	(400)	nm
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of defined benefit obligation		—	(165)	nm
<b>Other comprehensive income / (loss) for the period / year, net of tax</b>		365	(565)	nm
<b>Total comprehensive (loss) / income for the period / year attributable to owners of the Company</b>		(1,473)	786	nm
<b>Earnings per share attributable to owners of the Company (cents per share)</b>				
Basic	18 (a)	(0.51)	0.37	nm
Diluted	18 (a)	(0.51)	0.37	nm

**Nera Telecommunications Ltd and its Subsidiaries**

**Condensed Interim Statements of Changes in Equity  
For the 6 months ended 30 June 2025**

	Attributable to equity holders of the Company				Total equity \$'000
	Share capital \$'000	Revenue reserve \$'000	Translation reserve \$'000	Other reserve \$'000	
<b>Group</b>					
<b>At 1 January 2025</b>	29,909	12,774	(1,468)	695	41,910
Loss for the period	–	(1,838)	–	–	(1,838)
Other comprehensive income for the period	–	–	365	–	365
<b>Total comprehensive (loss) / income for the period</b>	–	(1,838)	365	–	(1,473)
<b>Total contributions by and distributions to owners</b>	–	(1,838)	365	–	(1,473)
<b>At 30 June 2025</b>	29,909	10,936	(1,103)	695	40,437
<b>At 1 January 2024</b>	29,909	17,388	(1,463)	743	46,577
Profit for the period	–	1,351	–	–	1,351
Other comprehensive loss for the period	–	–	(400)	(165)	(565)
<b>Total comprehensive income / (loss) for the period</b>	–	1,351	(400)	(165)	786
<b>Contributions by and distributions to owners</b>					
Dividends (Note 19)	–	(1,809)	–	–	(1,809)
<b>Total contributions by and distributions to owners</b>	–	(1,809)	–	–	(1,809)
<b>At 30 June 2024</b>	29,909	16,930	(1,863)	578	45,554

**Nera Telecommunications Ltd and its Subsidiaries**

**Condensed Interim Statements of Changes in Equity  
For the 6 months ended 30 June 2025**

	<b>Attributable to equity holders of the Company</b>		
	<b>Share capital \$'000</b>	<b>Revenue reserve \$'000</b>	<b>Total equity \$'000</b>
<b>Company</b>			
<b>At 1 January 2025</b>	29,909	1,373	31,282
Profit for the period	–	125	125
<b>Total comprehensive income for the period</b>	–	125	125
<b>Total contributions by and distributions to owners</b>	–	125	125
<b>At 30 June 2025</b>	29,909	1,498	31,407
<b>At 1 January 2024</b>	29,909	4,688	34,597
Profit for the period	–	607	607
<b>Total comprehensive income for the period</b>	–	607	607
<u>Contributions by and distributions to owners</u>			
Dividends (Note 19)	–	(1,809)	(1,809)
<b>Total contributions by and distributions to owners</b>	–	(1,809)	(1,809)
<b>At 30 June 2024</b>	29,909	3,486	33,395

**Nera Telecommunications Ltd and its Subsidiaries**

**Condensed Interim Consolidated Statement of Cash Flow  
For the 6 months ended 30 June 2025**

		<b>6 months ended 30 June</b>	
	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
(Loss) / Profit before tax		(1,735)	1,036
Adjustments for:			
Amortisation of intangible asset	13	45	88
Depreciation of property, plant and equipment	13	275	465
Depreciation of right-of-use assets	13	758	852
Interest expense	16	277	278
Interest income	15	(88)	(187)
Foreign exchange loss / (gain), net – forward currency contracts	12	21	(40)
Net gain on disposal of property, plant and equipment	12	–	(6)
Net allowance for doubtful trade debts	13	–	(53)
Net provision for warranty	9	142	201
Reduction of pension		(193)	–
<b>Operating (loss) / profit before working capital changes</b>		<b>(498)</b>	<b>2,634</b>
Decrease/(increase) in:			
Stocks		(497)	770
Contract assets		(1,374)	4,613
Trade receivables		5,630	(1,550)
Other receivables, deposits and prepayments		(1,590)	(2,453)
Increase/(decrease) in:			
Trade payables		259	(7,473)
Other payables and accruals		(2,208)	(389)
Contract liabilities		5,254	9,703
Provision for warranty		(143)	(184)
Foreign exchange loss / (gain), net – forward currency contracts		21	(40)
Unrealised foreign exchange loss / (gain), net		1,058	(865)
<b>Cash generated from operations</b>		<b>5,912</b>	<b>4,766</b>
Income tax paid		(163)	(416)
Interest paid		(127)	(128)
<b>Net cash flows generated from operating activities</b>		<b>5,622</b>	<b>4,222</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		–	19
Purchase of property, plant and equipment	5	(36)	(235)
Interest received		87	169
<b>Net cash flows generated from / (used in) investing activities</b>		<b>51</b>	<b>(47)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders of the Company		–	(1,809)
Proceeds from bank loans		3,000	3,000
Decrease in trade line		(4,205)	(2,497)
Repayment of bank loans		(7,500)	(7,500)
Repayment of lease liabilities		(941)	(1,065)
<b>Net cash flows used in financing activities</b>		<b>(9,646)</b>	<b>(9,871)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,973)</b>	<b>(5,696)</b>
Effect of exchange rates changes on cash and bank balances		(120)	247
Cash and cash equivalents at beginning of year		14,289	20,503
<b>Cash and cash equivalents at end of year</b>		<b>10,196</b>	<b>15,054</b>
<b>Cash and cash equivalents comprise:</b>			
Cash and bank balances		6,649	7,237
Fixed deposits		3,557	7,938
Deposits pledged		(10)	(121)
		10,196	15,054

**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

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**1. Corporate information**

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). Effective from 2nd October 2024, the ultimate holding company is Hon Hai Precision Industry Co., Ltd. ("Hon Hai"), a publicly listed company at the Taiwan Stock Exchange Corporation. Hon Hai wholly owns Bao Xin International Investment Co., Ltd. ("Bao Xin"), and Bao Xin partially owns Ennoconn Corporation, a publicly listed company at the Taiwan Stock Exchange Corporation. The immediate holding company is Ennoconn Solutions Singapore Pte. Ltd, a wholly owned subsidiary of Ennoconn Corporation.

The registered office and principal place of business of the Company is 19 Tai Seng Avenue #06-01, Singapore 534054.

The principal activities of the Company are to engage in the sale, distribution, design, engineering, servicing, installation and maintenance of telecommunication systems and products in information technology and operational technology solutions and services.

There have been no significant changes in the nature of these activities during the current reporting period.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The condensed interim financial statements are presented in Singapore dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

**2.2 Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2025, where applicable. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.



**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

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**2. Summary of significant accounting policies (cont'd)**

**2.3 Revenue**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**(a) Sale and installation of network equipment**

The Group supplies and installs network equipment. The sale of equipment and rendering of installation services are either sold separately or in a bundled contract. For bundled contract, the Group accounts for the sale of equipment and installation service separately. The transaction price is allocated to the sale of equipment and installation service based on their relative stand-alone selling prices. See Note 2.3(b) for the revenue recognition relating to the installation services. For sale of equipment, revenue is recognised upon delivery of equipment and criteria for acceptance being satisfied.

**(b) Rendering of services**

**(i) Professional services**

The Group is in the business of providing design and engineering, installation and service of satellite infrastructure network and info-communications network infrastructure. Revenue from providing services is recognised over time, based on cost incurred to date relative to the total estimated cost to satisfy the performance obligation.

**(ii) Maintenance services**

The Group provides maintenance services for network systems and solutions. Maintenance revenue is recognised over time on a straight-line basis over the specified contract period. Maintenance revenue received in advance is recognised as contract liabilities and recognised as income over the life of the maintenance contracts.

**(c) Turnkey project**

The Group is in the business of providing full suite of turnkey network and wireless solutions. The Group recognises revenue from contracts by reference to the stage of completion of the respective contract activity (i.e., performance obligations) of its projects at the end of each reporting period. The stage of completion is measured by reference to the cost incurred to date relative to the total estimated cost to satisfy the performance obligation.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified project milestones. A contract asset is recognised when the Group has performed under the contract but has yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

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**2. Summary of significant accounting policies (cont'd)**

**2.3 Revenue (cont'd)**

**(c) Turnkey project (cont'd)**

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognised the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relate less the costs that relate directly to providing the goods and that have not been recognised as expenses.

For the revenue streams stated above; in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money for contracts with customers that includes a significant financing component. In adjusting for the significant financing component, the Group uses a discount rate that would be reflected in a separate financing transaction between the Group and its customers.

**3. Significant accounting judgments and estimates**

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

**4. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

**5. Property, plant and equipment**

During the six months ended 30 June 2025, the Group acquired property, plant and equipment with an aggregate cost of \$36,000 (30 June 2024: \$33,000).

**6. Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Network equipment	5,415	4,859	4,032	4,438

At 30 June 2025, stocks recognised as an expense in the consolidated statement of comprehensive income under line item "Cost of sales" for the Group amounted to \$13,535,000 (30 June 2024: \$16,131,000). There is no stocks write-down recognised (30 June 2024: nil).

Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025

7. Revenue

(a) *Disaggregation of revenue*

Segments	WIN		NI		Total revenue	
	6 months ended		6 months ended		6 months ended	
	30 Jun		30 Jun		30 Jun	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Primary geographical markets</b>						
Singapore	79	467	25,014	26,548	25,093	27,015
Malaysia	1,050	1,536	7,416	7,055	8,466	8,591
Indonesia	404	1,604	4,800	3,732	5,204	5,336
Thailand	85	622	505	536	590	1,158
Philippines	96	108	476	119	572	227
EMEA countries	3,631	3,105	301	605	3,932	3,710
Others	852	1,295	—	—	852	1,295
	6,197	8,737	38,512	38,595	44,709	47,332
<b>Major product or service lines</b>						
Sale of equipment	772	2,312	15,294	16,602	16,066	18,914
Rendering of services	2,398	4,262	22,073	21,532	24,471	25,794
Turnkey project	3,027	2,163	1,145	461	4,172	2,624
	6,197	8,737	38,512	38,595	44,709	47,332
<b>Timing of transfer of goods or services</b>						
At a point in time	772	2,312	15,294	16,602	16,066	18,914
Over time	5,425	6,425	23,218	21,993	28,643	28,418
	6,197	8,737	38,512	38,595	44,709	47,332

(b) **Judgment and methods used in estimating revenue**

- (i) Determining transaction price and amounts allocated to sale of equipment with installation services, sale of equipment with maintenance services and turnkey project with maintenance services.

For the bundled contracts, the Group allocates the transaction price to sale of equipment with installation services, sale of equipment with maintenance services and turnkey project with maintenance services based on their relative stand-alone selling prices. The standalone selling prices are determined based on estimated cost-plus margin.

**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the 6 months ended 30 June 2025**

**7. Revenue (cont'd)**

**(b) Judgment and methods used in estimating revenue (cont'd)**

**(ii) Recognition of revenue from professional services and turnkey project over time**

For rendering of professional services and turnkey projects where the Group satisfies its performance obligations over time, management has determined that cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to date relating to the total inputs expected to be incurred. The measurement of progress is based on the costs incurred to date as a proportion of the costs to be incurred to the satisfaction of the performance obligation.

The estimated total costs are based on contractual amounts and, in respect of amounts not contracted for, management relies on past experience and the knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends for the amount incurred in its other similar services and projects.

**(iii) Estimating variable consideration for turnkey projects**

In estimating the variable consideration for liquidated damages, the Group uses the most likely amount method to predict the liquidated damages. Management relies on historical experiences with similar turnkey projects, customers and geographical areas. Management has exercised significant judgment in estimating the amount of consideration to which it expects to be entitled and of which the amount is included in the contract revenue to the extent that it is probable that there will be no significant reversal when the uncertainties are resolved.

**(c) Contract assets and contract liabilities**

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade receivables (Note 8)	30,491	37,978	9,389	13,586
Contract assets	19,413	17,869	7,773	7,755
Contract liabilities	30,985	25,677	24,291	20,033

At 30 June 2025, the Group recognised a net impairment losses on receivables arising from contracts with customers amounting to nil (30 June 2024: net write-back of impairment losses of \$53,000).

# Nera Telecommunications Ltd and its Subsidiaries

## Notes to the Condensed Interim Consolidated Financial Statements For the 6 months ended 30 June 2025

### 8. Trade receivables

	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
Trade receivables	33,079	40,618	9,575	13,772
Less: Allowance for impairment of trade receivables	(2,588)	(2,640)	(186)	(186)
Total trade receivables	30,491	37,978	9,389	13,586

At 30 June 2025, retention sums relating to contracts included in trade receivables of the Group and the Company are \$3,049,000 and nil (31 Dec 2024: \$3,426,000 and nil) respectively.

### 9. Provision for warranty

A provision is recognised for expected warranty claims on goods and services sold in the past 12 months (average warranty period) based on past experience of the level of repairs and returns. The provision is classified as current liability as it is difficult to predict the timing of warranty utilisation due to the following reasons:

- (a) there is unpredictability in the network system in which it is possible for a failed IT equipment to cause the whole network to not be operational;
- (b) the Group continues to work on projects and install equipment for customers in environments that are considerably more challenging;
- (c) the Group continues to use equipment from new vendors whose equipment may not be fully tested in different environments; and
- (d) there is a mismatch of the duration of the warranty coverage.

Movements in provision for warranty during the period are as follows:

	Group		Company	
	6 months ended 30 Jun		6 months ended 30 Jun	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
At 1 January	490	491	407	417
Provision for the year	159	222	148	206
Write-back of provision	(17)	(21)	(11)	—
Utilised during the year	(140)	(183)	(140)	(183)
Currency realignment	(3)	(4)	—	—
At 30 June	489	505	404	440

### 10. Borrowings

	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	\$'000	\$'000	\$'000	\$'000
<b>Amount repayable within one year or on demand</b>				
Unsecured	—	4,500	—	4,500
Trade line	403	4,608	—	3,322
	403	9,108	—	7,822

**Nera Telecommunications Ltd and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

**11. Share capital**

	<b>Group and Company</b>			
	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>	<b>Number of shares</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>
			<b>'000</b>	<b>'000</b>
Issued and fully paid ordinary shares:	29,909	29,909	361,897	361,897

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

**12. Other (expenses) / income**

	<b>6 months ended</b>	
	<b>30 Jun</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
		<b>(Restated)</b>
Foreign exchange (loss) / gain, net – forward currency contracts	(21)	40
Realised foreign exchange loss, net	(271)	(375)
Unrealised foreign exchange (loss) / gain, net	(1,058)	865
Government grants	8	27
Net gain on disposal of property, plant and equipment	-	6
Retrenchment benefits	(746)	(155)
Others	3	(39)
	<b>(2,085)</b>	<b>369</b>

**13. (Loss) / profit from operating activities**

The following items have been included in arriving at (loss) / profit from operating activities:

	<b>6 months ended</b>	
	<b>30 Jun</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Amortisation of intangible asset	45	88
Depreciation of property, plant and equipment	275	465
Depreciation of right-of-use assets	758	852
Write-back for doubtful trade receivables	-	(53)

**Nera Telecommunications Ltd and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

**14. Personnel expenses and employee benefits**

	<b>6 months ended 30 Jun</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
		(Restated)
Wages, salaries and bonuses	7,653	8,564
Pension contributions	921	1,025
Retrenchment benefits	746	155
Other personnel benefits	1,159	1,249
	<b>10,479</b>	<b>10,993</b>

**15. Finance income**

	<b>6 months ended 30 Jun</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest income from:		
Bank deposits	88	187
	<b>88</b>	<b>187</b>

**16. Finance expenses**

	<b>6 months ended 30 Jun</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest expense	158	135
Interest on lease liabilities	119	143
	<b>277</b>	<b>278</b>

**17. Tax**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>6 months ended 30 Jun</b>	
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Consolidated income statement:</b>		
Current income tax:		
Current income taxation	103	259
Over provision in respect of previous years	-	(574)
Income tax expense / (credit) recognised in profit and loss	<b>103</b>	<b>(315)</b>

**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

**18. Earnings per share**

**(a) Continuing operations**

Basic earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period (adjusted for the effects of dilutive options).

The following tables reflect the income and share data used in the computation of basic and diluted earnings per share for the period ended 31 December:

	<b>Group 6 months ended 30 Jun</b>	
	<b>2025 \$'000</b>	<b>2024 \$'000</b>
Net (loss)/profit attributable to ordinary equity holders of the Company for basic and diluted earnings per share	(1,838)	1,351
Weighted average number of ordinary shares for basic and diluted earnings per share computation	361,897	361,897

There have been no transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the completion of these financial statements.

**(b) Earnings per share computation**

The basic and diluted earnings per share are calculated by dividing the profit for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for both basic and diluted earnings per share computation. The profit and share data are presented in Note 18(a) above.

**19. Dividends**

	<b>Group and Company 30 Jun</b>	
	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Declared and paid during the financial period:</b>		
<i>Dividends on ordinary shares:</i>		
- A final exempt (one-tier) dividend paid in respect of the previous financial period of nil (2024: 0.5 cent) per share	—	1,809



**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

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**20. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>	<b>30 Jun 2025</b>	<b>31 Dec 2024</b>
	\$	\$	\$	\$
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	11.17	11.58	8.68	8.64

**21. Segment information**

For management purposes, the Group is organised on a worldwide basis into operating businesses (divisions) as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The Group is organised into two main operating businesses, namely:

- Wireless Infrastructure Networks ("WIN") – Sales, marketing and distribution, design and engineering, project implementation, service and maintenance of transmission products and systems and wireless solutions.
- Network Infrastructure ("NI") – Sales, marketing and distribution, design and engineering, project implementation, service and maintenance of info-communications network infrastructure, network security solutions, IP networks, optical networks and broadcast infrastructure.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

***Allocation basis and transfer pricing***

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment turnover, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

**Nera Telecommunications Ltd and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

**21. Segment information (cont'd)**

<b>6 months ended 30 Jun 2025</b>	<b>WIN \$'000</b>	<b>NI \$'000</b>	<b>Adjustments \$'000</b>	<b>Total \$'000</b>
Revenue	6,197	38,512		44,709
Cost of sales	(4,627)	(30,815)		(35,442)
Gross profit	1,570	7,697		9,267
Distribution and selling expenses	(822)	(2,797)		(3,619)
Administrative expenses	(1,007)	(4,102)		(5,109)
Other expenses	(1,322)	(763)		(2,085)
(Loss) / profit from operating activities	(1,581)	35		(1,546)
Finance income				88
Finance expenses				(277)
Loss before tax				(1,735)
Tax				(103)
Net loss for the period				(1,838)

**Other information**

Segment assets	16,427	44,925	40,102	A	101,454
Segment liabilities	9,566	45,941	5,510	B	61,017
Capital expenditure	8	28			36
Depreciation and amortisation	112	966			1,078
Other non-cash expenses (*)	3	140			143

<b>6 months ended 30 Jun 2024</b>	<b>WIN \$'000</b>	<b>NI \$'000</b>	<b>Adjustments \$'000</b>	<b>Total \$'000</b>
Revenue	8,737	38,595		47,332
Cost of sales	(6,840)	(28,829)		(35,669)
Gross profit	1,897	9,766		11,663
Distribution and selling expenses	(1,182)	(4,438)		(5,620)
Administrative expenses	(939)	(4,346)		(5,285)
Other income	189	180		369
(Loss) / profit from operating activities	(35)	1,162		1,127
Finance income				187
Finance expenses				(278)
Profit before tax				1,036
Tax				315
Net profit for the period				1,351

**Other information**

Segment assets	21,945	54,667	43,316	A	119,928
Segment liabilities	14,303	49,915	10,156	B	74,374
Capital expenditure	15	220			235
Depreciation and amortisation	111	1,294			1,405
Other non-cash (income)/expenses (*)	(50)	198			148

(\*) Other non-cash (income)/expenses include net provision for warranty and net allowance for doubtful trade debts.

**Nera Telecommunications Ltd and its Subsidiaries**

**Notes to the Condensed Interim Consolidated Financial Statements  
For the 6 months ended 30 June 2025**

**21. Segment information (cont'd)**

**Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

A The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Deferred tax assets	5,030	4,007
Other receivables, deposits and prepayments	24,866	24,134
Cash and cash equivalents	6,649	7,237
Fixed deposits	3,557	7,938
	<b>40,102</b>	<b>43,316</b>

B The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	30 Jun 2025 \$'000	30 Jun 2024 \$'000
Defined benefit obligation	381	497
Other payables and accruals	4,555	4,451
Borrowings	403	5,000
Provision for taxation	171	208
	<b>5,510</b>	<b>10,156</b>

**Geographical segments**

Revenue and non-current assets (excluding deferred tax assets) information based on the geographical location of customers and assets respectively are as follows:

	Revenue 6 months ended 30 Jun		Non-current assets 6 months ended 30 Jun	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Singapore	25,093	27,015	4,153	5,534
Malaysia	8,466	8,591	611	697
Indonesia	5,204	5,336	202	280
Thailand	590	1,158	123	200
Philippines	572	227	967	2,580
EMEA countries	3,932	3,710	214	359
Others	852	1,295	—	—
	<b>44,709</b>	<b>47,332</b>	<b>6,270</b>	<b>9,650</b>

Non-current assets information presented above consists of intangible assets, property, plant and equipment, right-of-use assets, long term trade and other receivables.

**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the 6 months ended 30 June 2025**

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**22. Comparative figures**

The effects of the reclassification on the consolidated statement profit or loss of the Group for the financial period ended 30 June 2024 are summarised below:

<b>Group</b>	<b>As per previously stated \$'000</b>	<b>Adjustments \$'000</b>	<b>As restated \$'000</b>
<i>Consolidated Statement of Profit or Loss for the financial year ended 30 June 2024</i>			
Cost of sales	(34,219)	(1,450)	(35,669)
Distribution and selling expenses	(7,162)	1,542	(5,620)
Administrative expenses	(5,348)	63	(5,285)
Other (expenses) / income	524	(155)	369

**1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The Condensed Consolidated Statement of Financial Position of Nera Telecommunications Ltd and its subsidiaries as at 30 June 2025 and the related Condensed Consolidated Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the six-months period then ended and certain explanatory notes have not been audited or reviewed.

**2. 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 revenue, 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.**

**Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**a) Revenue**

The Group delivered a resilient performance in 1H2025, achieving revenue of \$44.7 million, a decline of 5.5% compared to the previous year of \$47.3 million. The lower revenue recorded this year was primarily a result of unfavourable market headwinds. These included a combination of reduced customer spending and broader economic uncertainty, which impacted our sales pipeline and delayed some key deals.

**Network Infrastructure ("NI")**

Revenue from Network Infrastructure ("NI") remained stable at \$38.5 million in 1H2025 against \$38.6 million in 1H2024, with stronger contributions from Indonesia, Malaysia, and the Philippines offsetting softer performance in Singapore and EMEA.

**Wireless Infrastructure Network ("WIN")**

While Wireless Infrastructure Network ("WIN") revenue declined to \$6.2 million in 1H2025 as compared to \$8.7 million in 1H2024, this segment is undergoing strategic repositioning to better align with evolving customer needs.

**b) Gross Profit**

Gross profit for 1H2025 was \$9.3 million, with a gross profit margin of 20.7% against gross profit of \$11.7 million and gross profit margin of 24.6% in 1H2024. The decline in gross profit and gross profit margin in 1H2025 was attributable to the higher project closure adjustment booked in 1H2024, without which both period gross profit margins are comparable.

**c) Other Income/(Expenses)**

On a YOY basis, the Group recorded Other Expenses of \$2.1 million in 1H2025 as compared to Other Income of \$0.4 million in 1H2024. The increase was mainly due to higher unrealised foreign exchange losses of \$1.1 million in 1H2025.

**d) Operating Expenses**

On a YOY basis, total Operating Expenses for 1H2025 decreased by 20% (\$2.2 million) as compared to the corresponding period last year. This was mainly due to lower distribution and selling expenses and administrative expenses following the restructuring exercises.

Distribution and Selling expenses decreased by 35.6% (\$2 million) in 1H2025 as compared to 1H2024 mainly due to lower staff related costs.

On the other hand, Administrative expenses decreased by 3.3% (\$0.2 million) in 1H2025 as compared to 1H2024 with lower staff related and office related expenses.

**e) Finance income / (expense)**

The interest expenses in 1H2025 remain consistent as compared to preceding period last year. On the other hand, lower interest income booked in 1H2025 as compared to preceding year is mainly due to lower interest earned from lower placement of fixed deposits.

**f) (Loss) / Profit Before Tax**

The Group reported loss before tax of \$1.7 million in 1H2025 compared to profit before tax of \$1.0 million in 1H2024. This was primarily due to lower gross profit, restructuring costs and negative impact from unrealised forex losses. A positive impact from unrealised forex gain was recorded in 1H2024.

**g) Tax**

The higher income tax expense for 1H2025 was primarily due to the reversal of over provision of income tax expenses from one of the foreign subsidiaries in 1H2024.

**h) (Loss) / Profit After Tax**

Overall, the Group reported a loss after tax of \$1.8 million for 1H2025, compared to profit after tax of \$1.4 million in 1H2024, largely explained by the lower gross profit, restructuring costs unrealised forex losses and tax expenses. This was partially offset by lower operating expenses.

**Interim Statements of Financial Position**

**i) Non-current assets**

The Group's non-current assets decreased by \$1.2 million mainly due to decrease in carrying amount of property, plant and equipment, right-of-use assets, intangible assets and deferred tax assets.

**j) Current assets**

The Group's current assets decreased by \$7.8 million mainly due to the decrease in trade receivables and cash and bank balances, partially offset by increase in stocks, contract assets and other receivables.

**k) Current liabilities**

The Group's current liabilities decreased by \$6.5 million mainly due to the decrease in trade payables, other payables and short-term borrowings and partially offset by the increase in contract liabilities.

**l) Non-current liabilities**

The Group's non-current liabilities decreased marginally mainly due to the payment on the lease liabilities.

**m) Cash flow**

The decrease in cash and cash equivalents of \$4.0 million was mainly due to:

- net repayment of bank loans, trade line and lease liabilities totalling \$9.6 million, partially offset by net cash flows generated from operating activities of \$5.6 million.

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

In the Company's profit guidance announcement dated 18 July 2025, the Company stated that the Group is expected to report a net loss for the half year ended 30 June 2025. The Group reported a net loss of \$1.8 million in 1H2025.

**4. 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 1H2025, the Group secured approximately \$40.3 million in order intake, a decrease of 47.5% (\$36.5 million) as compared to \$76.8 million in 1H2024.

The Group's NI business segment contributed approximately \$27.9 million, or 69.3% of the total 1H2025 order intake, a decrease of 57.7% (\$38.1 million) as compared to \$66.0 million recorded in 1H2024. The Group's WIN business segment contributed the remaining \$12.4 million in order intake, an increase of 14.9% (\$1.6 million) as compared to \$10.8 million in 1H2024.

The global economy remains volatile, with escalating geopolitical tensions, persistent inflation, and the growing risk of tariffs and trade wars contributing to higher operating costs. The Group remains vigilant to these macroeconomic challenges and is prepared to respond swiftly to shifting market conditions to safeguard operational resilience and continuity.

Following the successful completion of Ennoconn Corporation's unconditional cash offer for a 63.77% stake in the Group, NeraTel is now fully aligned with a forward-looking technology partner. This partnership expected to unlock new opportunities across Southeast Asia, where demand for smart, efficient, and integrated digital solutions continues to accelerate.

The Group is in the process of expanding its solutions portfolio in high-growth areas such as smart buildings, smart retailing, Artificial Intelligence of Things ("AIoT"), and managed services including Security Operations Centre ("SOC") and Network Operations Centre ("NOC").

A key strategic priority is the normalisation and harmonisation of expertise across its regional operations, ensuring consistent service excellence and operational standards across its footprint. This approach enhances scalability and enables the Group to deliver high-impact solutions tailored to local market needs.

In June 2025, NeraTel secured a \$30 million five-year period contract renewal with a leading Southeast Asian service provider. Covering over 100 sites, the agreement includes a managed services component covering digital enablement, infrastructure support and performance monitoring, to empower rural enterprises and drive inclusive economic growth.

With a leaner cost base, stronger strategic alignment, and a clear roadmap for innovation, NeraTel is well-placed to deliver sustainable value to customers and shareholders alike.

**5. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been proposed or recommended as the management plans to conserve cash for the Group's working capital.

**7. 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.**

The Group has obtained a general mandate from shareholders of the Company for interested person transactions in the Extraordinary General Meeting held on 29 April 2025. During the period ended 30 June 2025, the following interest person transaction were entered into by the Group:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
<b>Transactions for the Sale of Goods and Services</b>		<b>Half year 30 Jun 2025 \$'000</b>	<b>Half year 30 Jun 2025 \$'000</b>
<u>Management services income</u> Ennoconn Solutions Singapore Pte. Ltd.	Controlling shareholder of the Company.	-	240

**8. 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).



**9. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).**

The Company confirms that no person is occupying any managerial position in the Company or any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Gn Jong Yuh Gwendolyn  
Company Secretary

14 August 2025