

Company Registration No. 197802690R

**Nera Telecommunications Ltd
and its Subsidiaries**

Condensed Interim Financial Statements (Unaudited)
For the six months and full year ended 31 December 2022

Nera Telecommunications Ltd and its Subsidiaries

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Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Statements of Financial Position
As at 31 December 2022**

	Note	Group		Company	
		31 Dec 2022 (unaudited) \$'000	31 Dec 2021 (audited) \$'000	31 Dec 2022 (unaudited) \$'000	31 Dec 2021 (audited) \$'000
Non-current assets					
Property, plant and equipment	5	5,197	5,386	1,003	230
Right-of-use assets		5,229	1,116	4,713	155
Intangible assets		734	971	683	869
Investments in subsidiaries		–	–	2,218	3,624
Long term trade and other receivables		312	682	–	–
Deferred tax assets		484	979	208	239
		11,956	9,134	8,825	5,117
Current assets					
Stocks	6	11,662	10,191	7,136	5,858
Contract assets		36,227	36,823	11,609	12,839
Trade receivables	8	48,884	47,510	7,990	14,119
Other receivables, deposits and prepayments		22,737	22,123	17,547	17,421
Amounts due from subsidiaries		–	–	7,957	18,768
- trade		–	–	10,350	18,889
- non-trade		–	647	–	–
Fixed deposits		18,200	22,856	6,337	7,748
Cash and bank balances		137,710	140,150	68,926	95,642
Assets held for sale	22	2,744	2,744	2,744	2,744
		140,454	142,894	71,670	98,386
Current liabilities					
Trade payables		39,112	28,206	8,237	6,726
Other payables and accruals		10,052	8,671	5,045	1,859
Contract liabilities		30,845	31,018	20,054	21,699
Amounts due to subsidiaries (trade)		–	–	–	60
Short-term borrowings	10	21,000	32,000	21,000	32,000
Lease liabilities		539	803	169	53
Provision for taxation		572	527	106	–
Provision for warranty	9	479	531	304	390
		102,599	101,756	54,915	62,787
Liabilities directly associated with the assets held for sale	22	2,797	2,888	2,797	2,888
		105,396	104,644	57,712	65,675
Net current assets		35,058	38,250	13,958	32,711
Non-current liabilities					
Lease liabilities		5,399	420	5,211	103
Defined benefit obligation		550	423	–	–
		5,949	843	5,211	103
Net assets		41,065	46,541	17,572	37,725
Equity attributable to equity holders of the Company					
Share capital	11	29,909	29,909	29,909	29,909
Revenue reserve		11,717	19,008	(12,337)	7,816
Translation reserve		(1,044)	(2,866)	–	–
Other reserve		483	490	–	–
		41,065	46,541	17,572	37,725

Nera Telecommunications Ltd and its Subsidiaries

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the 12 months ended 31 December 2022

	Note	6 months ended 31 Dec 2022 (unaudited) \$'000	6 months ended 31 Dec 2021 (audited) \$'000	12 months ended 31 Dec 2022 (unaudited) \$'000	12 months ended 31 Dec 2021 (audited) \$'000	Increase/ (Decrease) 12 months ended %
Revenue	7	71,162	59,301	132,529	102,609	29.2
Cost of sales		(55,562)	(48,988)	(102,949)	(83,094)	(23.9)
Gross profit		15,600	10,313	29,580	19,515	51.6
Distribution and selling expenses		(11,072)	(15,971)	(18,311)	(22,747)	19.5
Administrative expenses		(7,439)	(5,182)	(11,865)	(9,686)	(22.5)
Other expenses	12	(2,865)	(1,945)	(3,866)	(1,638)	nm
Loss from operating activities	13	(5,776)	(12,785)	(4,462)	(14,556)	69.3
Finance income	15	46	63	86	143	(39.9)
Finance expenses	16	(516)	(335)	(859)	(647)	(32.8)
Loss before tax		(6,246)	(13,057)	(5,235)	(15,060)	65.2
Tax	17	(1,838)	(768)	(2,056)	(934)	nm
Loss after tax		(8,084)	(13,825)	(7,291)	(15,994)	54.4
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation of financial statements of foreign operations		1,452	497	1,822	83	nm
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit obligation		11	120	(7)	120	nm
Other comprehensive income for the year, net of tax		1,463	617	1,815	203	nm
Total comprehensive loss for the period attributable to owners of the Company		(6,621)	(13,208)	(5,476)	(15,791)	65.3
Earnings per share attributable to owners of the Company (cents per share)						
Basic	18 (a)	(2.23)	(3.82)	(2.01)	(4.42)	nm
Diluted	18 (a)	(2.23)	(3.82)	(2.01)	(4.42)	nm

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the 12 months ended 31 December 2022**

	Attributable to equity holders of the Company				
	Share capital	Revenue reserve	Translation reserve	Other reserve	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 January 2022	29,909	19,008	(2,866)	490	46,541
Loss for the year	–	(7,291)	–	–	(7,291)
Other comprehensive loss for the year	–	–	1,822	(7)	1,815
Total comprehensive loss for the year	–	(7,291)	1,822	(7)	(5,476)
Total contributions by and distributions to owners	–	(7,291)	1,822	(7)	(5,476)
At 31 December 2022	29,909	11,717	(1,044)	483	41,065
Group					
At 1 January 2021	29,909	36,811	(2,949)	370	64,141
Loss for the year	–	(15,994)	–	–	(15,994)
Other comprehensive loss for the year	–	–	83	120	203
Total comprehensive loss for the year	–	(15,994)	83	120	(15,791)
Contributions by and distributions to owners					
Dividends (Note 19)	–	(1,809)	–	–	(1,809)
Total contributions by and distributions to owners	–	(1,809)	–	–	(1,809)
At 31 December 2021	29,909	19,008	(2,866)	490	46,541

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Statements of Changes in Equity
For the 12 months ended 31 December 2022**

	Attributable to equity holders of the Company		
	Share capital	Revenue reserve	Total equity
	\$'000	\$'000	\$'000
Company			
At 1 January 2022	29,909	7,816	37,725
Loss for the year	–	(20,153)	(20,153)
Total comprehensive loss for the year	–	(20,153)	(20,153)
Total contributions by and distributions to owners	–	(20,153)	(20,153)
At 31 December 2022	29,909	(12,337)	17,572
Company			
At 1 January 2021	29,909	12,994	42,903
Loss for the year	–	(3,369)	(3,369)
Total comprehensive loss for the year	–	(3,369)	(3,369)
<u>Contributions by and distributions to owners</u>			
Dividends (Note 19)	–	(1,809)	(1,809)
Total contributions by and distributions to owners	–	(1,809)	(1,809)
At 31 December 2021	29,909	7,816	37,725

Nera Telecommunications Ltd and its Subsidiaries

**Condensed Interim Consolidated Statement of Cash Flow
For the 12 months ended 31 December 2022**

		12 months ended 31 Dec	
	Note	2022	2021
		\$'000	\$'000
Cash flows from operating activities			
Loss before tax		(5,235)	(15,060)
Adjustments for:			
Amortisation of intangible asset		238	193
Bad debts written off	13	21	91
Depreciation of property, plant and equipment	13	797	575
Depreciation of right-of-use assets	13	1,035	947
Interest expense	16	859	647
Interest income	15	(86)	(143)
Net fair value loss / (income) on forward currency contracts	13	56	(98)
Net (gain) / write off on disposal of property, plant and equipment	13	(21)	233
Net allowance for contract assets		993	1,902
Stocks write-down		78	583
Net allowance for doubtful trade debts	13	2,285	7,553
Net provision for warranty	9	234	76
Gain on sale of customer contracts		(631)	(774)
Pension cost		254	29
Operating profit / (loss) before working capital changes		877	(3,246)
Decrease/(increase) in:			
Stocks		(1,799)	(4,898)
Contract assets		(2,222)	(4,609)
Trade receivables		(8,109)	8,857
Other receivables, deposits and prepayments		(681)	(1,351)
Increase/(decrease) in:			
Trade payables		14,934	(2,892)
Other payables and accruals		1,898	(487)
Contract liabilities		314	9,343
Provision for warranty		(273)	(396)
Foreign exchange gain / (loss), net – forward currency contracts	13	56	(98)
Unrealised foreign exchange loss, net	13	4,613	844
Cash generated from operations		9,608	1,067
Income tax paid		(1,256)	(1,184)
Interest paid		(618)	(374)
Benefits paid out from pension fund		(92)	(23)
Net cash flows generated from / (used in) operating activities		7,642	(514)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		22	5
Purchase of property, plant and equipment	5	(529)	(216)
Purchase of intangible assets		(6)	(333)
Proceeds from sale of customer contracts		338	1,304
Interest received		86	138
Net cash flows (used in) / generated from investing activities		(89)	898
Cash flows from financing activities			
Dividends paid to shareholders of the Company	19	-	(1,809)
Proceeds from bank loans		24,000	37,000
Repayment of bank loans		(35,000)	(33,500)
Repayment of lease liabilities		(1,109)	(1,051)
Net cash flows (used in)/generated from financing activities		(12,109)	640
Net (decrease) / increase in cash and cash equivalents		(4,556)	1,024
Effect of exchange rates changes on cash and bank balances		(761)	(641)
Cash and cash equivalents at beginning of year		23,403	23,020
Cash and cash equivalents at end of year		18,086	23,403
Cash and cash equivalents comprise:			
Cash and bank balances		18,200	22,856
Fixed deposits		-	647
Deposits pledged		(114)	(100)
		18,086	23,403

Nera Telecommunications Ltd and its Subsidiaries

Other Information Required by Listing Manual For the 12 months ended 31 December 2022

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). The ultimate holding company is PGA Partners Ltd, acting solely in its capacity as general partner of Canopus Asia Systems, L.P.. The immediate holding company is Asia Systems Ltd, a wholly-owned subsidiary of Canopus Asia Systems, L.P.. Asia Systems Ltd, PGA Partners Ltd and Canopus Asia Systems, L.P. are domiciled in Cayman Islands.

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 transmission networks and satellite communications and information technology networks.

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 31 December 2022 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 interim financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 2.2.

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*

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change accounting policies or make retrospective adjustments as a result of adopting these standards.

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 service 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 system 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.

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 relates 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 2021.

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

In year 2022, property, plant and equipment ("PPE") of the Company increased by \$773,000 mainly attributed by asset under construction of \$868,000 and partially offset by depreciation.

On the other hand, the Group acquired PPE with an aggregate cost of \$1,049,000 (2021: \$239,000). The cash outflow on acquisition of property, plant and equipment amounted to \$529,000 (2021: \$216,000). The remaining amount of \$520,000 (2021: \$23,000) is unpaid as at year end and is recorded in other payables.

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

6. Stocks

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Network equipment	11,662	10,191	7,136	5,858

At 31 December 2022, stocks recognised as an expense in the consolidated statement of comprehensive income under line item "Cost of sales" for the Group amounted to \$50,029,000 (2021: \$37,054,000) inclusive of stocks net write-down of \$78,000 (2021: \$583,000).

7. Revenue

(a) **Disaggregation of revenue**

Segments	WIN		NI		Total revenue	
	6 months ended 31 Dec		6 months ended 31 Dec		6 months ended 31 Dec	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets						
Singapore	932	2,452	26,099	23,979	27,031	26,431
Indonesia	1,122	2,534	13,020	6,214	14,142	8,748
Malaysia	1,377	2,233	14,763	10,094	16,140	12,327
Philippines	687	250	1,154	892	1,841	1,142
Thailand	374	383	636	241	1,010	624
EMEA countries	9,362	9,591	1,237	447	10,599	10,038
Others	382	–	17	(9)	399	(9)
	14,236	17,443	56,926	41,858	71,162	59,301
Major product or service lines						
Sale of equipment	280	2,906	13,882	13,187	14,162	16,093
Rendering of services	2,937	5,951	21,778	24,236	24,715	30,187
Turnkey project	11,019	8,586	21,266	4,435	32,285	13,021
	14,236	17,443	56,926	41,858	71,162	59,301

Other Information Required by Listing Manual
For the 12 months ended 31 December 2022

7. Revenue (cont'd)

(a) *Disaggregation of revenue (cont'd)*

Segments	WIN		NI		Total revenue	
	6 months ended		6 months ended		6 months ended	
	31 Dec		31 Dec		31 Dec	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Timing of transfer of goods or services						
At a point in time	280	2,906	13,882	13,187	14,162	16,093
Over time	13,956	14,537	43,044	28,671	57,000	43,208
	14,236	17,443	56,926	41,858	71,162	59,301

Segments	WIN		NI		Total revenue	
	12 months ended		12 months ended		12 months ended	
	31 Dec		31 Dec		31 Dec	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets						
Singapore	1,521	2,941	49,506	46,184	51,027	49,125
Indonesia	2,530	5,311	23,412	8,307	25,942	13,618
Malaysia	2,354	3,296	22,563	16,786	24,917	20,082
Philippines	1,085	370	4,770	2,663	5,855	3,033
Thailand	892	1,025	707	403	1,599	1,428
EMEA countries	18,423	14,026	1,730	650	20,153	14,676
Others	2,644	398	392	249	3,036	647
	29,449	27,367	103,080	75,242	132,529	102,609

Major product or service lines	WIN		NI		Total revenue	
	12 months ended		12 months ended		12 months ended	
	31 Dec		31 Dec		31 Dec	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sale of equipment	9,171	6,414	31,881	20,341	41,052	26,755
Rendering of services	5,695	8,341	42,432	39,715	48,127	48,056
Turnkey project	14,583	12,612	28,767	15,186	43,350	27,798
	29,449	27,367	103,080	75,242	132,529	102,609

7. Revenue (cont'd)

(a) *Disaggregation of revenue (cont'd)*

Segments	WIN		NI		Total revenue	
	12 months ended		12 months ended		12 months ended	
	31 Dec		31 Dec		31 Dec	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Timing of transfer of goods or services						
At a point in time	9,171	6,414	31,881	20,341	41,052	26,755
Over time	20,278	20,953	71,199	54,901	91,477	75,854
	29,449	27,367	103,080	75,242	132,529	102,609

(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.

- (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 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.

Nera Telecommunications Ltd and its Subsidiaries

Other Information Required by Listing Manual For the 12 months ended 31 December 2022

7. Revenue (cont'd)

(c) Contract assets and contract liabilities

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

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables (Note 8)	48,884	47,510	7,990	14,119
Contract assets	36,227	36,823	11,609	12,839
Contract liabilities	30,845	31,018	20,054	21,699

At 31 December 2022, the Group has recognised a net impairment loss on receivables arising from contracts with customers amounting to \$2,285,000 (2021: net impairment losses of \$7,553,000). The Group has also recognised a net impairment loss on contract assets amounting to \$993,000 (2021: net impairment loss on contract assets of \$1,902,000).

8. Trade receivables

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Trade receivables	59,380	56,778	8,367	14,566
Less: Allowance for impairment of trade receivables	(10,496)	(9,268)	(377)	(447)
Total trade receivables	48,884	47,510	7,990	14,119

At 31 December 2022, retention sums relating to contracts included in trade receivables of the Group and the Company are \$5,162,000 and nil (2021: \$5,779,000 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:

- 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;
- the Group continues to work on projects and install equipment for customers in environments that are considerably more challenging;
- the Group continues to use equipment from new vendors whose equipment may not be fully tested in different environments; and
- there is a mismatch of the duration of the warranty coverage.

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

9. Provision for warranty (cont'd)

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

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
At 1 January	531	859	390	563
Provision for the year	380	493	304	390
Write-back of provision	(146)	(417)	(124)	(208)
Utilised during the year	(273)	(396)	(266)	(355)
Currency realignment	(13)	(8)	–	–
At 31 December	479	531	304	390

10. Borrowings

	The Group and the Company	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Amount repayable within one year or on demand		
Secured	–	–
Unsecured	21,000	32,000
Amount repayable after one year		
Secured	–	–
Unsecured	–	–

The Company's loans (classified as current during the year) are subject to covenant clauses, whereby the Company is required to meet certain key financial ratios. The Company did not fulfil the Total Consolidated Tangible Networth ("TNW") ratio as required in the contract for a credit line of \$10,000,000, of which the Company had fully drawn down as at 31 December 2022.

Management is in the process of renegotiating the terms of the loan agreement.

11. Share capital

	Group and Company			
			Number of shares	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	'000	'000
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.

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

12. Other (expenses) / income

	Group			
	6 months ended 31 Dec		12 months ended 31 Dec	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Amortisation of intangible asset	(119)	(120)	(238)	(193)
Realised foreign exchange loss, net	(124)	(179)	(213)	(181)
Unrealised foreign exchange loss, net	(3,330)	(943)	(4,669)	(746)
Government grants	(2)	117	53	290
Net (write off) / gain on disposal of property, plant and equipment	7	(233)	21	(233)
Gain on sale of contract *	200	774	631	774
Others **	503	(1,361)	549	(1,349)
	(2,865)	(1,945)	(3,866)	(1,638)

*Proceeds from disposal of equipment and infrastructure, receivables and novation of operator's agreements to a purchaser in Indonesia.

**In 2021 includes write off of prepayment made to a supplier as the contract was subsequently discontinued and costs accrued for a Philippines's project.

13. Loss from operating activities

The following items have been included in arriving at loss from operating activities:

	Group			
	6 months ended 31 Dec		12 months ended 31 Dec	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Depreciation of property, plant and equipment	589	291	797	575
Depreciation of right-of-use assets	635	543	1,035	947
Bad debts written off	21	91	21	91
Write-back for doubtful trade receivables	(393)	(19)	(430)	(107)
Impairment loss on trade receivables	2,309	7,565	2,715	7,660
Foreign exchange gain / (loss), net – forward currency contracts	95	39	56	(98)
Realised foreign exchange loss, net	124	179	213	181
Unrealised foreign exchange loss, net	3,235	904	4,613	844
Net (gain) / write off on disposal of property, plant and equipment	(7)	233	(21)	233
Legal fee	76	1,169	79	1,169
Tax liability payable	–	452	–	452

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

14. Personnel expenses and employee benefits

	Group			
	6 months ended 31 Dec		12 months ended 31 Dec	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Wages, salaries and bonuses	8,539	6,701	15,168	13,052
Pension contributions	1,178	837	1,979	1,694
Other personnel benefits	1,342	1,009	2,637	1,873
Termination benefits	–	–	27	–
	11,059	8,547	19,811	16,619
	11,059	8,547	19,811	16,619

15. Finance income

	Group			
	6 months ended 31 Dec		12 months ended 31 Dec	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest income from:				
Bank deposits	43	35	78	63
Long term trade receivables	3	28	8	80
	46	63	86	143
	46	63	86	143

16. Finance expenses

	Group			
	6 months ended 31 Dec		12 months ended 31 Dec	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Interest expense	367	228	618	428
Interest on lease liabilities	149	107	241	219
	516	335	859	647
	516	335	859	647

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

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:

	Group			
	6 months ended		12 months ended	
	31 Dec		31 Dec	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Consolidated income statement:				
Current income tax:				
Current income taxation	1,270	890	1,490	1,056
(Over) / under provision in respect of previous years	(66)	68	(68)	68
Deferred income tax:				
Current year	429	(218)	429	(218)
Prior year	205	28	205	28
Income tax expense recognised in profit and loss	1,838	768	2,056	934

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 year ended 31 December:

	Group	
	12 months ended	
	31 Dec	
	2022	2021
	\$'000	\$'000
Net profit attributable to ordinary equity holders of the Company for basic and diluted earnings per share	(7,291)	(15,994)
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.

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

19. Dividends

	Group and Company 12 months ended 31 Dec	
	2022 \$'000	2021 \$'000
Paid during the financial period		
<i>Dividends on ordinary shares:</i>		
- A final exempt (one-tier) dividend paid in respect of the previous financial year of nil (2020: 0.5 cent) per share	–	1,809

20. Net asset value

	Group		Company	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	11.35	12.86	4.86	10.42

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

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

21. Segment information (cont'd)

6 months ended 31 Dec 2022	WIN \$'000	NI \$'000	Adjustments \$'000	Total \$'000
Revenue	14,236	56,926		71,162
Cost of sales	(11,445)	(44,117)		(55,562)
Gross profit	2,791	12,809		15,600
Distribution and selling expenses	(3,347)	(7,725)		(11,072)
Administrative expenses	(1,448)	(5,991)		(7,439)
Other expenses	(368)	(2,497)		(2,865)
Loss from operating activities	(2,372)	(3,404)		(5,776)
Finance income				46
Finance expenses				(516)
Loss before tax				(6,246)
Tax				(1,838)
Net loss for the year				(8,084)
Other information				
Segment assets	35,244	75,433	41,733	A 152,410
Segment liabilities	14,626	64,545	32,174	B 111,345
Capital expenditure	49	932		981
Depreciation and amortisation	141	1,202		1,343
Other non-cash (income)/expenses (*)	980	1,502		2,482
6 months ended 31 Dec 2021	WIN \$'000	NI \$'000	Adjustments \$'000	Total \$'000
Revenue	17,443	41,858		59,301
Cost of sales	(14,693)	(34,295)		(48,988)
Gross profit	2,750	7,563		10,313
Distribution and selling expenses	(2,939)	(13,032)		(15,971)
Administrative expenses	(2,336)	(2,846)		(5,182)
Other (expenses) / income	(3,403)	1,458		(1,945)
Loss from operating activities	(5,928)	(6,857)		(12,785)
Finance income				63
Finance expenses				(335)
Loss before tax				(13,057)
Tax				(768)
Net loss for the year				(13,825)
Other information				
Segment assets	44,792	59,949	47,287	A 152,028
Segment liabilities	20,859	43,007	41,621	B 105,487
Capital expenditure	71	108		179
Depreciation and amortisation	431	524		955
Other non-cash (income)/expenses (*)	167	8,438		8,605

Nera Telecommunications Ltd and its Subsidiaries

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For the 12 months ended 31 December 2022**

21. Segment information (cont'd)

12 months ended 31 Dec 2022	WIN \$'000	NI \$'000	Adjustments \$'000	Total \$'000
Revenue	29,449	103,080		132,529
Cost of sales	(23,590)	(79,359)		(102,949)
Gross profit	5,859	23,721		29,580
Distribution and selling expenses	(5,985)	(12,326)		(18,311)
Administrative expenses	(2,635)	(9,230)		(11,865)
Other expenses	(321)	(3,545)		(3,866)
Loss from operating activities	(3,082)	(1,380)		(4,462)
Finance income				86
Finance expenses				(859)
Loss before tax				(5,235)
Tax				(2,056)
Net loss for the year				(7,291)

Other information

Segment assets	35,244	75,433	41,733	A	152,410
Segment liabilities	14,626	64,545	32,174	B	111,345
Capital expenditure	69	980			1,049
Depreciation and amortisation	334	1,736			2,070
Other non-cash (income)/expenses (*)	962	2,018			2,980

12 months ended 31 Dec 2021	WIN \$'000	NI \$'000	Adjustments \$'000	Total \$'000
Revenue	27,367	75,242		102,609
Cost of sales	(23,348)	(59,746)		(83,094)
Gross profit	4,019	15,496		19,515
Distribution and selling expenses	(5,213)	(17,534)		(22,747)
Administrative expenses	(3,277)	(6,409)		(9,686)
Other (expenses) / income	(3,348)	1,710		(1,638)
Loss from operating activities	(7,819)	(6,737)		(14,556)
Finance income				143
Finance expenses				(647)
Loss before tax				(15,060)
Tax				(934)
Net loss for the year				(15,994)

Other information

Segment assets	44,792	59,949	47,287	A	152,028
Segment liabilities	20,859	43,007	41,621	B	105,487
Capital expenditure	93	146			239
Depreciation and amortisation	664	1,051			1,715
Other non-cash (income)/expenses (*)	757	8,674			9,431

(*) Other non-cash (income)/expenses include net provision for warranty, stocks write-down, net allowance/(write-back) for doubtful trade debts and net allowance/(write-back) for contract assets, bad debts written off and gain on sale of contract.

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

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:

	6 and 12 months ended Dec 2022	6 and 12 months ended Dec 2021
	\$'000	\$'000
Deferred tax assets	484	979
Other receivables, deposits and prepayments	23,049	22,805
Cash and cash equivalents	18,200	22,856
Fixed deposits	–	647
	<u>41,733</u>	<u>47,287</u>

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

	6 and 12 months ended Dec 2022	6 and 12 months ended Dec 2021
	\$'000	\$'000
Defined benefit obligation	550	423
Other payables and accruals	10,052	8,671
Borrowings	21,000	32,000
Provision for taxation	572	527
	<u>32,174</u>	<u>41,621</u>

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		12 months ended	
	31 Dec	31 Dec	31 Dec	31 Dec
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Singapore	27,031	26,431	51,027	49,125
Indonesia	14,142	8,748	25,942	13,618
Malaysia	16,140	12,327	24,917	20,082
Philippines	1,841	1,142	5,855	3,033
Thailand	1,010	624	1,599	1,428
Other EMEA countries	10,599	10,038	20,153	14,676
Others	399	(9)	3,036	647
	<u>71,162</u>	<u>59,301</u>	<u>132,529</u>	<u>102,609</u>

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
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21. Segment information (cont'd)

Geographical segments

	Non-current assets 6 and 12 months ended 31 Dec	
	2022 \$'000	2021 \$'000
Singapore	6,399	1,254
Indonesia	485	921
Malaysia	159	386
Philippines	3,990	5,091
Thailand	349	277
Other EMEA countries	90	226
	<hr/>	<hr/>
	11,472	8,155

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

22. Events occurring after balance sheet date

On 5 January 2023, the Company has received a letter from the Jurong Town Corporation (“JTC”) confirming JTC’s consent to the Proposed Disposal of the Property at 109 Defu Lane 10 Singapore 539225. The transaction was completed on 31 January 2023. Sale proceeds of \$6,300,000 has been received from the purchaser and a net gain on the sale of property is \$6,174,000, to be recorded in financial year 2023.

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 31 December 2022 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.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

a) Revenue

On a year-on-year ("YOY") basis, the Group's revenue for 2H 2022 rose by 20.0% to \$71.2 million from \$59.3 million in 2H 2021. Compared to FY 2021, the Group's total revenue increased by 29.2% from \$102.6 million to \$132.5 million in FY 2022. The increase was driven by higher revenue contribution from Service Provider ("SP") and Government, Transport and Utility ("GTU") segments.

Network Infrastructure ("NI")

Against the corresponding period last year, revenue for 2H 2022 increased by 35.8% to \$56.9 million from \$41.9 million in 2H 2021. Compared to FY 2021, revenue for FY 2022 increased by 37.1% to \$103.1 million from \$75.2 million in FY2021. The increase was largely driven by higher revenue contributions from Singapore, Indonesia, Malaysia and EMEA markets.

Wireless Infrastructure Network ("WIN")

On a YOY basis, revenue for 2H 2022 decreased by 18.4% to \$14.2 million from \$17.4 million in 2H 2021, mainly due to lower revenue from Singapore, Indonesia and Malaysia.

However, on a full-year basis, revenue for FY 2022 increased by 7.3% to \$29.4 million from \$27.4 million in FY 2021. The increase in revenue was mainly due to higher revenue from the EMEA markets, partially offset by lower revenue from Singapore, Indonesia and Malaysia.

b) Gross Profit

On a YOY basis, the Group recorded an increase in gross profit for 2H 2022 by 51.3% to \$15.6 million. Gross profit margin increased by 4.5% to 21.9% in 2H 2022 from 17.4% in 2H 2021 due to lower stock provision and impairment of contracts assets.

Gross profit in FY 2022 increased by 51.6% to \$29.6 million from \$19.5 million in FY 2021, driven by higher revenue booked. In addition, gross profit margin increased by 3.3 percentage points to 22.3% in FY2022, from 19.0% as compared to FY2021 arising from better product mix.

c) Other Expenses

On a YOY basis, the Group's other expenses increased in 2H 2022 and FY 2022 by \$0.9 million and \$2.2 million respectively as compared to preceding year periods. The increase was mainly due to unrealised foreign exchange losses of \$3.3 million recorded in 2H 2022 and \$4.7 million recorded in FY 2022, explained by the weakening of the Indonesia Rupiah, Pakistan Rupee and Philippine Peso currencies against the Group's reporting currency, the Singapore Dollar. The increase was partially offset by reversal of cost provision of \$1.0 million accrued for a Philippines project and the write-off of pre-payment to a supplier after the contract was subsequently discontinued in FY 2021.

d) Operating Expenses

On a YOY basis, total operating expenses for 2H 2022 and FY 2022 decreased by 12.5% and 7.0%, respectively as compared to the corresponding year periods. The decrease in operating expenses was mainly due to lower distribution and selling expenses, partially offset by the increase in administrative expenses.

Distribution and selling expenses decreased by 30.7% in 2H 2022 and 19.5% for FY 2022. This was mainly due to lower provisions for doubtful debts and lower legal fees incurred as compared to preceding year periods.

On the other hand, administrative expenses increased by 43.6% in 2H 2022 and 22.5% for FY 2022. This was largely due to higher staff related costs recorded in FY 2022 following an increase of business activities, relocation to new office premises in Singapore and additional tax liability of \$0.7 million payable to a subsidiary for FY 2018 and FY 2019.

d) Finance income/(expense)

The increase of interest expenses in 2H 2022 and FY 2022 as compared to preceding year periods is largely due to higher borrowing rates. On the other hand, lower interest income in 2H 2022 and FY 2022 as compared to 2H 2021 and FY 2021 is mainly due to low placement of fixed deposits and lower interest income.

e) Loss Before Tax

The Group registered a loss before tax of \$6.2 million in 2H 2022 and \$5.2 million for FY 2022 (compared to \$13.1 million and \$15.1 million respectively a year earlier) largely due to the unrealised foreign exchange losses from the weakening of regional currencies against the Singapore dollar. Excluding the unrealised foreign exchange losses of \$4.7 million in FY 2022, the Group would have recorded a significant turnaround in operating performance to loss of \$0.5 million as compared to loss before tax (excluding unrealised foreign exchange losses) of \$14.4 million in FY 2021.

f) Tax

Against the corresponding periods last year, there was an increase in income tax expense in 2H 2022 and FY 2022 by \$1.1 million, largely due to higher taxable profit contributed from Singapore, Malaysia and EMEA countries.

g) Loss After Tax

Overall the Group reported a loss after tax of \$7.3 million in FY 2022, compared to loss after tax of \$16.0 million in FY 2021. Excluding the unrealised foreign exchange losses of \$4.7 million in FY 2022, the loss after tax would have been \$2.6 million, a significant reduction in the loss after tax. This significant improvement in performance was driven by higher revenue and gross profit recorded in FY 2022 compared to the previous year.

Statements of Financial Position

h) Non-current assets

The Group's non-current assets increased by \$2.8 million mainly due to the increase in right-of-use assets ("ROU"), partially offset by the decrease in property, plant and equipment ("PPE") and intangible assets ("IA"). Decrease in PPE and IA were largely due to decrease in carrying amount of fixed assets. The increase in ROU assets was primarily contributed by the lease agreement for the new Singapore office.

i) Current assets

The Group's current assets decreased by \$2.4 million mainly due to the lower cash and bank balances and contract assets. This was partially offset by the higher stocks, trade and other receivables.

j) Current liabilities

The Group's current liabilities increased by \$0.8 million largely explained by the increase in trade and other payables and partially offset by the repayment of short-term borrowings.

k) Non-current liabilities

The Group's non-current liabilities increased by \$5.1 million mainly due to the lease agreement for the new Singapore office, partially offset by payments on the lease liabilities.

l) Cash flow

Net cashflow from operating activities increased significantly to \$7.6 million in FY 2022 from negative \$0.5 million in FY 2021.

The decrease in cash and cash equivalents of \$4.6 million in FY 2022 was mainly due to:

- net repayment of bank loans of \$11.0 million; and
- repayment of lease liabilities of \$1.1 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 7 February 2023, the Company stated that the Group is expected to report a net loss for the full year ended 31 December 2022. The Group reported a net loss of \$7.3 million in FY 2022.

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

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 FY 2022, the Group secured approximately \$158.3 million in order intake, an increase of 15.0% (\$20.6 million) compared to \$137.7 million in FY 2021. The Group's closing order backlog was \$154.5 million as at 31 December 2022, an increase of 4.0% as compared to a year earlier (\$148.7 million).

The Group's NI business segment contributed approximately \$136.0 million, or 85.9% of the total FY 2022 order intake, an increase of 54.2% (\$47.8 million) compared to \$88.2 million recorded in FY 2021. The Group's WIN business segment contributed the remaining \$22.3 million in order intake, a decrease of 54.9% (\$27.2 million) compared to \$49.5 million in FY 2021.

Despite economic, geopolitical uncertainties and a high-inflation environment in the post-pandemic era, the Group has identified opportunities in the sectors we serve, especially in ASEAN and EMEA regions. After disruptions to rollout of programmes due to the pandemic, the pent-up demand is manifesting as 5G adoption and network integration gather pace. The Group is also experiencing higher order flow in the Government, Transport and Utilities sector as digitalization efforts accelerate following the cessation of COVID-19 restrictions.

While opportunities increase, the Group is also more selective about growing its order pipeline so as to improve overall deal quality and also reduce risks of foreign exchange volatility. At the same time it will continue to move up the value chain of solutions and services it offers to clients while seeking to further improve internal efficiencies. For the latter, its relocation to new headquarters in Singapore will improve team work and morale, and facilitate reduction of outsourcing of services to third parties. In turn, these efforts are expected to improve performance margins and avail new higher-value service offerings in areas such as cybersecurity.

The Company completed the disposal of 109 Defu Lane 10 Singapore 539225 for \$6.3 million on 31 January 2023. Accordingly, it expects to record a gain on disposal of \$6.2 million in FY 2023.

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?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared/recommendeded, 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.

Nera Telecommunications Ltd and its Subsidiaries

**Other Information Required by Listing Manual
For the 12 months ended 31 December 2022**

- 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.**

There is no IPT mandate obtained.

- 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 who are related to a director, CEO or substantial shareholder.**

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in 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 twelve-months year ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Puay Koon
Chairman

Chong Hoi Ming
Director

01 March 2023