

[Print this page](#)**Second Quarter * Financial Statement And Dividend Announcement**

* Asterisks denote mandatory information

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Company Registration No.	197802690R
Announcement submitted on behalf of	NERATELECOMMUNICATIONS LTD
Announcement is submitted with respect to *	NERATELECOMMUNICATIONS LTD
Announcement is submitted by *	TAN CHER LIANG AND JULIE KOH NGIN JOO
Designation *	COMPANY SECRETARIES
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The details of the announcement start here ...

For the Financial Period Ended *	30-06-2007
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NERA TELECOMMUNICATIONS LTD

(Co. Reg. No. 197802690R)

Unaudited Second Quarter Financial Statements For the Period ended 30 June 2007

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

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

	Note	Group 2nd Quarter			Group Period ended 30 June		
		2007 S\$'000	2006 S\$'000	Increase/ (Decrease) %	2007 S\$'000	2006 S\$'000	Increase/ (Decrease) %
Continuing operations							
Turnover		41,461	31,749	30.6	77,864	73,929	5.3
Cost of sales		(32,021)	(24,728)	29.5	(60,566)	(60,096)	0.8
Gross profit		9,440	7,021	34.5	17,298	13,833	25.0
Other operating income		388	179	116.8	1,019	321	217.4
Distribution and selling expenses		(3,903)	(3,006)	29.8	(7,318)	(5,918)	23.7
Administrative expenses		(1,668)	(1,954)	(14.6)	(3,371)	(3,060)	10.2
Other operating expenses		(156)	(31)	403.2	(539)	(312)	72.8
Profit from operations		4,101	2,209	85.6	7,089	4,864	45.7
Financial expenses		(52)	(50)	4.0	(100)	(76)	31.6
Financial income		223	513	(56.5)	498	862	(42.2)
Profit after financial items		4,272	2,672	59.9	7,487	5,650	32.5
Share of results of associated company		(35)	(145)	(75.9)	(80)	(151)	(47.0)
Profit before taxation		4,237	2,527	67.7	7,407	5,499	34.7
Taxation		(955)	(395)	141.8	(1,716)	(1,023)	67.7
Profit for the period from continuing operations		3,282	2,132	53.9	5,691	4,476	27.1
Discontinued operation							
Profit for the period from a discontinued operation		-	2,482	(100.0)	-	4,147	(100.0)
Profit for the period		3,282	4,614	(28.9)	5,691	8,623	(34.0)
Attributable to:							
Equity holders of the Company		3,282	3,826	(14.2)	5,691	7,307	(22.1)
Minority interests		-	788	(100.0)	-	1,316	(100.0)
		3,282	4,614	(28.9)	5,691	8,623	(34.0)

	Group 2nd Quarter			Group Period ended 30 June		
	2007	2006	Increase / (Decrease)	2007	2006	Increase / (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Continuing operations</u>						
Profit for the period is arrived at after crediting / (charging) the following :						
Adjustments for over provision of tax in respect of prior years	3	-	N.M.	3	-	N.M.
Depreciation	(447)	(450)	(0.7)	(857)	(908)	(5.6)
Loss on disposal of fixed assets	(2)	-	N.M.	(2)	-	N.M.
Interest income	223	513	(56.5)	498	862	(42.2)
Foreign exchange gain / (loss)	147	18	716.7	32	(161)	N.M.
Writeback of provision for doubtful debts	79	647	(87.8)	392	732	(46.4)
(Provision) / write-back for stock obsolescence	(10)	259	N.M.	(493)	(205)	140.5
Provision for warranty	(1,784)	(517)	245.1	(1,766)	(1,604)	10.1
Gross profit as a percentage of turnover	22.8%	22.1%	3.2	22.2%	18.7%	18.7
Profit for the period as a percentage of turnover	7.9%	6.7%	17.9	7.3%	6.1%	19.7
<u>Other information</u>						
Profit for the period attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of period	5.3%	4.2%	26.2	9.2%	7.9%	16.5

N.M. Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Balance Sheet as at	Group		Company	
	30/6/2007 S\$'000	31/12/2006 S\$'000	30/6/2007 S\$'000	31/12/2006 S\$'000
Equity				
Share capital	29,909	29,906	29,909	29,906
Share option reserve	-	1	-	1
Revenue reserve	33,479	38,645	27,863	33,494
Translation reserve	(1,563)	(1,664)	-	-
	61,825	66,888	57,772	63,401
Non current assets				
Fixed assets	7,512	6,379	4,166	4,309
Investment in subsidiaries	-	-	4,316	4,316
Investment in associated company	1,034	1,094	199	199
Deferred tax assets	1,013	875	308	175
	9,559	8,348	8,989	8,999
Current assets				
Stocks	6,836	5,642	5,882	4,320
Contracts-works-in-progress	(1) 34,479	18,627	32,749	16,794
Trade debtors	(1) 40,266	29,957	33,375	24,812
Other debtors, deposits and prepayments	2,063	1,863	478	569
Due from associated company (trade)	8,715	7,231	6,837	6,303
Due from associated company (non-trade)	1,263	1,263	1,263	1,263
Due from related companies (trade)	497	156	216	56
Due from subsidiaries (trade)	-	-	6,138	4,497
Due from subsidiaries (non-trade)	-	-	558	-
Fixed deposits	33	12,896	-	12,896
Cash and bank balances	13,475	12,935	10,360	10,088
Total current assets	107,627	90,570	97,856	81,598
Current liabilities				
Trade creditors	(1) 28,125	16,393	26,453	14,716
Other creditors and accruals	8,547	9,706	6,505	7,662
Provision for warranty	4,026	3,044	1,467	1,403
Due to subsidiaries (trade)	-	-	412	384
Due to associated company (trade)	-	18	-	-
Due to related companies (trade)	(1) 11,372	374	11,320	327
Provision for taxation	3,291	2,495	2,916	2,704
Total current liabilities	55,361	32,030	49,073	27,196
Net current assets	52,266	58,540	48,783	54,402
	61,825	66,888	57,772	63,401

Note :

- (1) The significant increases are in line with the increase in business activities. They are also affected by timing of billing, receipts and payments.

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

Amount repayable in one year or less, or on demand

As at 30/6/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Amount repayable after one year

As at 30/6/2007		As at 31/12/2006	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

Not applicable

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

	Group 2nd Quarter		Group Period ended 30 June	
	2007	2006	2007	2006
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit from continuing operations before taxation	4,237	2,527	7,407	5,499
Profit from discontinued operation before taxation	-	3,087	-	5,388
	<u>4,237</u>	<u>5,614</u>	<u>7,407</u>	<u>10,887</u>
Adjustments for :				
Depreciation of fixed assets	447	874	857	1,829
Loss from disposal of fixed assets	2	-	2	-
Share option expenses	(1)	-	(1)	(1)
Provision for stock obsolescence	10	412	493	1,124
Writeback of provision for doubtful debts	(79)	(492)	(392)	(383)
Provision for warranty	1,784	730	1,766	1,894
Interest income	(223)	(677)	(498)	(1,120)
Share of results of associated company	35	145	80	151
Operating profit before working capital changes	<u>6,212</u>	<u>6,606</u>	<u>9,714</u>	<u>14,381</u>
Decrease / (increase) in :				
Trade debtors	(3,882)	1,367	(9,917)	(5,271)
Other debtors, deposits and prepayments	627	(2,825)	(200)	(3,625)
Stocks	(1,954)	(1,458)	(1,687)	898
Contracts-work-in-progress	(7,457)	(3,972)	(15,852)	(698)
Changes in related parties/associate balances	3,982	8,057	9,401	960
(Decrease) / increase in :				
Trade creditors	4,560	1,289	11,732	6,224
Other creditors and accruals	122	653	(1,159)	(3,315)
Provision for warranty	(464)	(538)	(784)	(848)
Cash generated from operations	<u>1,746</u>	<u>9,179</u>	<u>1,248</u>	<u>8,706</u>
Income taxes paid	(909)	(2,141)	(1,053)	(2,270)
Net cash flows generated from operating activities	<u>837</u>	<u>7,038</u>	<u>195</u>	<u>6,436</u>
Cash flows from Investing activities				
Purchase of fixed assets	(842)	(417)	(1,863)	(1,001)
Interest received	99	677	252	1,120
Net cash flows (used in) / generated from investing activities	<u>(743)</u>	<u>260</u>	<u>(1,611)</u>	<u>119</u>
Cash flows from financing activities				
Dividend paid to shareholders	(10,857)	(10,856)	(10,857)	(10,856)
Dividend paid to minority shareholders	-	(838)	-	(838)
Proceeds from issue of shares	3	-	3	-
Net cash flows used in financing activities	<u>(10,854)</u>	<u>(11,694)</u>	<u>(10,854)</u>	<u>(11,694)</u>
Net decrease in cash and bank balances	<u>(10,760)</u>	<u>(4,396)</u>	<u>(12,270)</u>	<u>(5,139)</u>
Effect of exchange rate changes	(12)	(294)	(53)	(396)
Cash and bank balances at beginning of the period	24,280	54,244	25,831	55,089
Cash and bank balances at end of the period	<u>13,508</u>	<u>49,554</u>	<u>13,508</u>	<u>49,554</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	← Atributable to equity holders of the Company →						Minority Interests	Total Equity
For 2nd Quarter ended 30 June	Share Capital S\$'000	Share Premium S\$'000	Revenue Reserve S\$'000	Capital Reserve S\$'000	Share Option Reserve S\$'000	Translation Reserve S\$'000	Total S\$'000	S\$'000
The Group								
Balance as at 1.4.2007	29,906	-	41,054	-	1	(1,693)	69,268	-
Foreign currency translation difference	-	-	-	-	-	130	130	-
Employee share options exercised / (cancelled)	3	-	-	-	(1)	-	2	-
Net profit for the period	-	-	3,282	-	-	-	3,282	-
Dividends paid	-	-	(10,857)	-	-	-	(10,857)	-
Balance as at 30.6.2007	29,909	-	33,479	-	-	(1,563)	61,825	-
Balance as at 1.4.2006	29,906	-	65,798	4,951	1	(1,318)	99,338	15,832
Foreign currency translation difference	-	-	-	-	-	(174)	(174)	-
Net profit for the period	-	-	3,826	-	-	-	3,826	788
Dividends paid	-	-	(10,856)	-	-	-	(10,856)	(838)
Balance as at 30.6.2006	29,906	-	58,768	4,951	1	(1,492)	92,134	15,782
The Company								
Balance as at 1.4.2007	29,906	-	35,578	-	1	-	65,485	-
Employee share options exercised / (cancelled)	3	-	-	-	(1)	-	2	-
Net profit for the period	-	-	3,142	-	-	-	3,142	-
Dividends paid	-	-	(10,857)	-	-	-	(10,857)	-
Balance as at 30.6.2007	29,909	-	27,863	-	-	-	57,772	-
Balance as at 1.4.2006	29,906	-	36,622	-	1	-	66,529	-
Net profit for the period	-	-	3,977	-	-	-	3,977	-
Dividends paid	-	-	(10,856)	-	-	-	(10,856)	-
Balance as at 30.6.2006	29,906	-	29,743	-	1	-	59,650	-

	Attributable to equity holders of the Company						Minority Interests	Total Equity	
For Period ended 30 June	Share Capital S\$'000	Share Premium S\$'000	Revenue Reserve S\$'000	Capital Reserve S\$'000	Share Option Reserve S\$'000	Translation Reserve S\$'000	Total S\$'000	S\$'000	S\$'000
The Group									
Balance as at 1.1.2007	29,906	-	38,645	-	1	(1,664)	66,888	-	66,888
Foreign currency translation difference	-	-	-	-	-	101	101	-	101
Employee share options exercised / (cancelled)	3	-	-	-	(1)	-	2	-	2
Net profit for the period	-	-	5,691	-	-	-	5,691	-	5,691
Dividends paid	-	-	(10,857)	-	-	-	(10,857)	-	(10,857)
Balance as at 30.6.2007	29,909	-	33,479	-	-	(1,563)	61,825	-	61,825
Balance as at 1.1.2006									
	18,094	11,812	62,317	4,951	2	(1,206)	95,970	15,304	111,274
Transfer of share premium reserve to share capital account	11,812	(11,812)	-	-	-	-	-	-	-
Foreign currency translation difference	-	-	-	-	-	(286)	(286)	-	(286)
Employee share options cancelled	-	-	-	-	(1)	-	(1)	-	(1)
Net profit for the period	-	-	7,307	-	-	-	7,307	1,316	8,623
Dividends paid	-	-	(10,856)	-	-	-	(10,856)	(838)	(11,694)
Balance as at 30.6.2006	29,906	-	58,768	4,951	1	(1,492)	92,134	15,782	107,916
The Company									
Balance as at 1.1.2007	29,906	-	33,494	-	1	-	63,401	-	63,401
Employee share options exercised / (cancelled)	3	-	-	-	(1)	-	2	-	2
Net profit for the period	-	-	5,226	-	-	-	5,226	-	5,226
Dividends paid	-	-	(10,857)	-	-	-	(10,857)	-	(10,857)
Balance as at 30.6.2007	29,909	-	27,863	-	-	-	57,772	-	57,772
Balance as at 1.1.2006									
	18,094	11,812	34,536	-	2	-	64,444	-	64,444
Transfer of share premium reserve to share capital account	11,812	(11,812)	-	-	-	-	-	-	-
Employee share options cancelled	-	-	-	-	(1)	-	(1)	-	(1)
Net profit for the period	-	-	6,063	-	-	-	6,063	-	6,063
Dividends paid	-	-	(10,856)	-	-	-	(10,856)	-	(10,856)
Balance as at 30.6.2006	29,906	-	29,743	-	1	-	59,650	-	59,650

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

In Q2 2007, the Company's share capital increased from \$29,906,000 to \$29,909,000 as a result of 14,000 share options being exercised at \$0.22 each pursuant to the Employee Share Option Scheme. As at 30 June 2007, there were 1,032,000 (@ S\$0.625) unexercised share options granted {30 June 2006 : 2,002,000 (1,979,000 @ S\$0.625 and 23,000 @ S\$0.22)}.

1(e) Negative assurance confirmation on interim financial results under Rule 705(4) of the SGX-ST.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the second quarter financial statements for the period ended 30 June 2007, to be false or misleading in any material respect.

On behalf of the Board

S Chandra Das
Chairman

Ang Seong Kang, Samuel
President and Chief Executive Officer

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice [e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard]

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	2nd Quarter		Period ended 30 June	
	2007	2006	2007	2006
Earnings per Ordinary Share for the period based on net profit attributable to shareholders:	(cents)	(cents)	(cents)	(cents)
(i) basic - continuing operations	0.91	0.59	1.57	1.24
(ii) basic - discontinued operation	-	0.47	-	0.78
(iii) fully diluted - continuing operations	0.91	0.59	1.57	1.24
(iv) fully diluted - discontinued operation	-	0.47	-	0.78

Basic earnings per ordinary share for the financial period ended 30 June 2007 was calculated based on the weighted average number of shares in issue of 361,888,028 {2006 : 361,883,000} ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 30 June 2007 was calculated based on the adjusted weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,888,028 ordinary shares {2006 : based on weighted average number of shares in issue (adjusted for the effects of dilutive options) of 361,893,952 ordinary shares}.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
	(cents)	(cents)	(cents)	(cents)
Net Asset Value per ordinary share based on issued share capital	17.08	18.48	15.96	17.52

Net asset value per ordinary share as at 30 June 2007 and 31 December 2006 was calculated based on the number of shares in issue of 361,897,000 and 361,883,000 ordinary shares respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(i) **Review of financial performance of continuing operations**

(a) **Turnover**

On a Q to Q comparison, turnover in Q2 2007 increased 30.6% from S\$31.7 million to S\$41.5 million, mainly due to higher turnover in both the Telecom and Infocomm business segments.

Compared to 1H 2006, the Group's turnover increased 5.3%, from S\$73.9 million to S\$77.9 million, with higher turnover from the Infocomm business segment. Turnover for the Telecom business segment was fairly stable for both periods.

Telecommunications (Telecom)

On a Q to Q comparison, turnover in Q2 2007 increased 23.2% from S\$18.5 million to S\$22.8 million, mainly due to significant increase in sales of microwave radio equipment. This was however offset by a much lower sales from the satellite business area as a result of a project sale of satellite land terminals recorded during Q2 2006.

Compared to 1H 2006, turnover was fairly stable at S\$45.0 million, with higher sales of microwave radio equipment. This was offset by lower sales from the satellite business area as a result of a project sale of satellite gateway systems and land terminals recorded during 1H 2006.

Infocomm

On a Q to Q comparison, turnover in Q2 2007 increased 41.7% from S\$13.2 million to S\$18.7 million and compared to 1H 2006, 1H 2007 turnover increased 13.8% from S\$28.9 million to S\$32.9 million.

The increase in turnover for Q2 2007 and 1H 2007 were mainly due to higher sales of network equipment to the Service Provider market sector and point-of-sale terminals to the Financial Services and Retail market sector.

(b) **Gross Profit**

On a Q to Q comparison, gross profit increased by 34.5% from S\$7.0 million to S\$9.4 million mainly due to the higher turnover. Gross margin % ("GM%") improved slightly from 22.1% to 22.8%.

Compared to 1H 2006, gross profit increased by 25.0%, from S\$13.8 million to S\$17.3 million, and the GM% improved from 18.7% to 22.2%. The improvement is mainly due to higher GM% from both business segments, in particular the Infocomm business segment, as a result of product / services sales mix.

(c) **Operating Expenses**

On a Q to Q comparison, total operating expenses increased by 14.0% from S\$5.0 million to S\$5.7 million. Distribution and selling expenses increased by 29.8% mainly due to lower writeback of doubtful debts provision of S\$0.6 million and higher payroll related expenses. Administrative expenses decreased by 14.6% as the expenses in the corresponding period included professional fees related to the sale of shares in a subsidiary, Nera Electronics Ltd.

Compared to 1H 2006, total operating expenses increased by 20.4% from S\$9.3 million to S\$11.2 million. Distribution and selling expenses increased mainly due to higher payroll and related costs and lower writeback of doubtful debts provision. Administrative expenses increased as part of the corporate costs in 1H 2006 was charged to the discontinued operation. Other operating expenses increased by S\$227,000 mainly due to higher expenses in research and development, partially offset by lower exchange loss.

(d) Profit Before Taxation ('PBT')

On a Q to Q basis, PBT increased 67.7% from S\$2.5 million to S\$4.2 million resulting mainly from higher turnover. Accordingly, PBT as a percentage of turnover ("PBT %") improved from 8.0% to 10.2%

Compared to 1H 2006, PBT for 1H 2007 increased 34.7% from S\$5.5 million to S\$7.4 million as a result of higher turnover and other operating income. The higher other income was derived from a one-off marketing support fee which the Company received from a principal and higher research and development fee from a related company. PBT as a percentage of turnover ("PBT %") improved from 7.4% to 9.5% as a result of higher GM%.

(e) Cash flow

The net decrease in cash and bank balances for the quarter and for the period was mainly due to the payment of dividends to shareholders.

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

N.A.

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

Telecommunications (Telecom)

Competition in the telecommunication industry remains high. Consolidation has created fewer but larger companies and customers are demanding for better products, service and commercial terms.

The Transmission business area remains active and many Mobile Operators continued to expand their networks to increase coverage, bandwidth and capabilities. New 3G operators are also investing in 3G network infrastructure and services. Such expansion push up demand for radio transmission equipment.

During the first half of 2007, the Group has secured more than S\$60 million in orders for PDH and SDH radio transmission equipment and services. The Group believes that with a complete range of PDH, SDH trunk and access radios transmission products, it will be able to increase the addressable mobile market as well as the Defence, Broadcasting and Enterprises markets.

In the Satellite business area, the Group, in partnership with various global satellite equipment players, is engaging in sales of a range of satellite communication products covering land and mobile terminals, and in two-way broadband satellite networks to satellite operators, ISP, broadcasters and government organisations. The Group will continue to have a strong focus on the sales of various Inmarsat land and marine terminals, maintenance of Inmarsat gateways and marine services, and to further increase our business opportunities, the Group intends to broaden our total satellite product portfolio.

Infocomm (IC)

The increase in consumer demand for broadband, higher bandwidth as a result of richer content, multimedia and gaming, services via the internet as well as enterprises and organisations investing in IT to improve their productivity and competitiveness is driving the growth in the Infocomm industry. The market is dominated by a number of major industry players and competition is keen.

The Group intends to develop and focus on business opportunities in the five key market sectors, namely Service Providers, Enterprises, Financial Services and Retail, Media & Broadcasting, and Government, Transportation and Utilities sectors.

In the Service Provider market sector, demand for infocomm networking equipment is driven by the growth in consumer broadband multimedia services. The Group is focusing on providing various carrier-class products and solutions to support its customers in convergence of the mobile and fixed networks, IP VPN core networks and in building next generation broadband networks. There are also numerous opportunities in the region for wireless broadband access networks such as mesh-wifi and wimax.

In the Enterprise market sector, the Group will focus on providing high performance and secured enterprise-class network infrastructure products and solutions, security products for unified threat management, optimization, aggregation internet appliances as well as wireless solutions.

In the Financial Services & Retail market sector, demand for point-of-sale ("POS") terminals is driven by migration to EMV-compliant POS terminals by banks and financial institutions, and growth in the retail industry. The Group intends to be a flexible one-stop POS terminal solution house by providing various types and brands of POS payment terminals and various investment options such as direct purchase, rental, leasing and maintenance programs. The Group continues to secure new POS customers and intend to introduce its network infrastructure and wireless solutions to the Financial Services and Retail market sector.

In the Media & Broadcasting market sector, some Broadcasters has started to gradually migrate their analogue TV systems to the digital DvB systems. The Group has managed to secure its first DvB H project with an ASEAN operator. Although the project value is not material, it will provide the Group with a track record, experiences and a better position to secure similar business opportunities. The Group intends to also introduce its existing range of network infrastructure products to customers in the Media & Broadcasting market sector.

In the Government, Transport and Utilities market sector, the Group is reviewing its complete product portfolio and intends to concentrate on infocomm products, applications and solutions to government organisations, defence, education, healthcare, utilities, oil/gas and the transportation industries.

11. 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

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

No dividend has been declared or recommended for the financial period.

13. Aggregate value of interested persons transactions conducted pursuant to a shareholders' general mandate for the period ended 30 June 2007.

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

Name of Interested Person	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	2nd Quarter	Period ended 30 June
Sales		
Nera Networks AS	1,838	3,432
Nera Networks, Inc.	1,048	1,907
Purchases		
Nera Networks AS	16,429	28,629
Other Operating Revenues		
Nera Networks AS	108	414

BY ORDER OF THE BOARD

Tan Cher Liang
Julie Koh Ngin Joo
Company Secretaries

2/8/2007