#### **CIRCULAR DATED 14 APRIL 2025**

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Nera Telecommunications Ltd ("Company"). If you are in any doubt about the contents of this Circular or the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

This Circular, together with the Notice of EGM and the accompanying Proxy Form, has been made available to the shareholders of the Company ("Shareholders") on the SGXNET at <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> and the Company's website at <a href="https://www.nera.net/investors/announcements-and-financial-results/">https://www.sgx.com/securities/company-announcements</a> and the Company's website at <a href="https://www.nera.net/investors/announcements-and-financial-results/">https://www.nera.net/investors/announcements-and-financial-results/</a>. A printed copy of this Circular will NOT be despatched to Shareholders. Printed copies of the Notice of EGM and the accompanying Proxy Form will be despatched to Shareholders.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward the Notice of EGM and the accompanying Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Notice of EGM and Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward the Notice of EGM and accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



NERA TELECOMMUNICATIONS LTD

(Incorporated in the Republic of Singapore) (Company Registration No.: 197802690R)

#### CIRCULAR TO SHAREHOLDERS in relation to THE PROPOSED ADOPTION OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Independent Financial Adviser in relation to the Proposed Adoption of the General Mandate for Interested Person Transactions

# PRIME<sup>n</sup>

### PrimePartners Corporate Finance Pte. Ltd.

(Incorporated in the Republic of Singapore) (Company Registration No. 200207389D)

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	26 April 2025 at 4.00 p.m.
Date and time of Extraordinary General Meeting	:	29 April 2025 at 4.00 p.m. (or as soon thereafter as the Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place is concluded or adjourned)
Place of Extraordinary General Meeting	:	Temasek Club, Brani Room, 131 Rifle Range Road, Singapore 588406

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### DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

"approved exchange"	:	A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual		
"associate"	:	<ul> <li>(a) In relation to any director, chief executive officer, substantial Shareholder or Controlling Shareholder (being an individual), means:</li> </ul>		
		<ul> <li>his immediate family (that is, the spouse, child, adopted-child, step-child, sibling or parent of such director, chief executive officer, substantial Shareholder or Controlling Shareholder);</li> </ul>		
		<ul> <li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li> </ul>		
		<ul> <li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;</li> </ul>		
		(b) in relation to a substantial Shareholder or a Controlling Shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more		
"associated company"	:	A company in which at least 20% but not more than 50% of its shares are held by the listed company or group		
"Audit and Risk Management Committee"	:	The Audit and Risk Management Committee of the Company as at the date of this Circular, comprising Mr Basil Chan, Mr Yu, Ling-Hsiao (Eric Yu), Mr Lum Wai Meng (Lin Weiming) and Ms Jenny Teng Mui Keow		
"Board"	:	The board of Directors as at the date of this Circular		
"Business Day"	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore		
"CDP"	:	The Central Depository (Pte) Limited		

		DEFINITIONS			
"Circular"	:	This circular to Shareholders dated 14 April 2025			
"Companies Act"	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time			
"Company"	:	Nera Telecommunications Ltd			
"Constitution"	:	The constitution of the Company, as amended, modified or supplemented from time to time			
"control"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company			
"Controlling Shareholder"	:	A person who:			
		<ul> <li>(a) holds directly or indirectly 15% or more of the total voting shares in the Company, unless determined by the SGX-ST that such person is not a controlling shareholder; or</li> </ul>			
		(b) in fact exercises control over the Company			
"Directors"	:	The directors of the Company as at the date of this Circular			
"EAR Group"	:	(a) The Company;			
		(b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or			
		(c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group has, or the Group and its interested person(s) have, control over the associated company			
"EGM"	:	The extraordinary general meeting of the Company to be held on 29 April 2025 at 4.00 p.m. (or as soon thereafter as the Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place is concluded or adjourned) (and any adjournment thereof), notice of which is set out on pages 35 to 38 of this Circular			
"Ennoconn"	:	Ennoconn Corporation			
"Ennoconn Group"	:	Ennoconn and its subsidiaries (but excluding the Group)			

#### DEFINITIONS

"Ennoconn Solutions Singapore"	:	Ennoconn Solutions Singapore Pte. Ltd., a wholly owned subsidiary of Ennoconn and immediate holding company of the Company	
"entity at risk"	:	(a) The issuer;	
		(b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or	
		(c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group has, or the listed group and its interested person(s) have, control over the associated company	
"FY2024"	:	The financial year ended 31 December 2024, being the most recently completed financial year of the Group for which audited accounts have been prepared	
"Group"	:	The Company and its subsidiaries from time to time	
"Hon Hai"	:	Hon Hai Precision Industry Co., Ltd.	
"IFA" or "PPCF"	:	PrimePartners Corporate Finance Pte. Ltd., being the independent financial adviser to the Non-Interested Directors in relation to the proposed adoption of the IPT General Mandate	
"IFA Letter"	:	The letter dated 14 April 2025 from the IFA to the Non-Interested Directors in relation to the IPT General Mandate, as set out in Appendix B to this Circular	
"interested person(s)"	:	<ul> <li>(a) A director, chief executive officer or Controlling Shareholder of the issuer; or</li> </ul>	
		(b) an associate of such director, chief executive officer or Controlling Shareholder	
"interested person transaction"	:	A transaction between an entity at risk and an interested person	
"IoT"	:	Internet of Things	
"IPT General Mandate"	:	The general mandate from Shareholders pursuant to Chapter 9 of the Listing Manual to enable the EAR Group to enter into the Mandated Transactions with the Mandated Interested Persons	
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Circular, being 28 March 2025	

		DEFINITIONS	
"Listing Manual"	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time	
"Mandated Interested Persons"	:	The interested persons which will be covered under the IPT General Mandate, as set out in Section 4.1 of this Circular	
"Mandated Transactions"	:	The categories of interested person transactions with the Mandated Interested Persons which will be covered under the IPT General Mandate, as set out in Section 5 of this Circular	
"Non-Interested Directors"	:	The Directors who are considered independent for the purpose of making a recommendation on the proposed adoption of the IPT General Mandate, namely, Mr Basil Chan, Mr Lum Wai Meng (Lin Weiming) and Ms Jenny Teng Mui Keow	
"Notice of EGM"	:	The notice of EGM dated 14 April 2025 set out on pages 35 to 38 of this Circular	
"NTA"	:	Net tangible assets	
"Offer"	:	The mandatory unconditional cash offer by Ennoconn, made pursuant to the Offer Document, for all the Shares, other than those Shares owned, controlled or agreed to be acquired, directly or indirectly, by Ennoconn and persons acting in concert with it after the completion of the acquisition of approximately 53.38% of the issued Shares from Asia Systems Ltd.	
"Offer Document"	:	The offer document dated 25 September 2024 in respect of the Offer	
"Proxy Form"	:	The proxy form attached to the Notice of EGM	
"Registrar"	:	Boardroom Corporate & Advisory Services Pte. Ltd.	
"SFA"	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time	
"SGX-ST"	:	Singapore Exchange Securities Trading Limited	
"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term " <b>Shareholders</b> " shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose Securities Accounts maintained with CDP are credited with those Shares	

### DEFINITIONS

"Shares"	:	Ordinary shares in the capital of the Company
"Substantial Shareholder"	:	A person who has an interest, directly or indirectly, in not less than 5% of the total number of voting Shares (excluding treasury shares and subsidiary holdings)
Currencies, Units and Others		
" <b>S\$</b> " and " <b>cents</b> "	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
"%" or " <b>per cent.</b> "	:	Per centum or percentage

**Depositor and Depository Register.** The terms "**Depositor**" and "**Depository Register**" shall have the meanings given to them respectively in section 81SF of the SFA.

**Genders.** Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons, where applicable, shall include corporations.

**Headings.** The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

**Issued Shares.** In this Circular, unless otherwise stated, the total number of issued Shares in the capital of the Company is 361,897,000 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

**Rounding.** Any discrepancies in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to Shareholders.

**Statutes.** Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning given to that word under the Companies Act, the SFA, the Listing Manual or that modification, as the case may be.

**Subsidiary.** The term "**subsidiaries**" shall have the meaning given to it in section 5 of the Companies Act.

**Time and Date.** Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise specified.

## NERA TELECOMMUNICATIONS LTD

(Incorporated in the Republic of Singapore) (Company Registration No.: 197802690R)

#### Directors:

#### **Registered Office:**

Mr Chu, Fu-Chuan (Executive Chairman and Executive Director) Mr Yu, Ling-Hsiao (Eric Yu) (Non-Independent Non-Executive Director) Mr Basil Chan (Lead Independent Non-Executive Director) Mr Lum Wai Meng (Lin Weiming) (Independent Non-Executive Director) Ms Jenny Teng Mui Keow (Independent Non-Executive Director) 19 Tai Seng Avenue #06-01 Singapore 534054

#### 14 April 2025

To: The Shareholders of Nera Telecommunications Ltd

Dear Sir/Madam,

## THE PROPOSED ADOPTION OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

#### 1. INTRODUCTION

- 1.1 <u>EGM.</u> The Directors are convening the EGM to seek Shareholders' approval for the proposed adoption of the IPT General Mandate.
- 1.2 <u>Circular</u>. The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed adoption of the IPT General Mandate to be tabled at the EGM as an ordinary resolution, notice of which is set out on pages 35 to 38 of this Circular.

This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose. Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any statements made or opinions expressed or reports contained in this Circular.

1.3 <u>Legal Adviser.</u> Lee & Lee is the legal adviser to the Company in relation to the IPT General Mandate and this Circular.

#### 2. IPT GENERAL MANDATE

2.1 <u>Background.</u> Ennoconn had completed the acquisition of approximately 53.38% of the issued Shares from Asia Systems Ltd. and, on 25 September 2024, issued the offer document dated 25 September 2024 ("**Offer Document**") to formally make a mandatory unconditional cash offer for all the remaining Shares, other than those Shares owned, controlled or agreed to be acquired, directly or indirectly, by Ennoconn and persons acting in concert with it ("**Offer**"). Following the close of the Offer on 23 October 2024, Ennoconn holds approximately 63.77% of the issued Shares as at the Latest Practicable Date, through its wholly owned subsidiary, Ennoconn Solutions Singapore.

- 2.2 <u>Transactions with Ennoconn and its Associates.</u>
  - (a) Ennoconn is a company incorporated under the laws of Taiwan on 12 July 1999 and its stocks were listed on the Taiwan Stock Exchange Corporation on 28 March 2014. The main businesses of the Ennoconn Group are manufacturing and sale of data storage, processing equipment and industrial motherboards.
  - (b) As stated in the Offer Document, the rationale of the Offer included the following:
    - (i) Ennoconn wants to enhance its strategy for its Ennoconn Solution as a Service platform and the acquisition can leverage the synergies between Ennoconn and the Company, optimising customer order acquisition and financial performance, and would also fortify Ennoconn's presence in crucial markets, including Singapore, Vietnam, Thailand, and Malaysia. Strategic focus areas would include railway dedicated networks, IoT + 5G smart manufacturing solutions, artificial intelligence technology applications, and environmental, social and governance initiatives.
    - (ii) By aligning efforts in "products, applications, platforms and markets", Ennoconn and the Company would strengthen core competencies and expand their market footprint. This would enhance customer engagement, broaden the customer base, and create a range of new business opportunities.
  - (c) It is anticipated that, with the Company having become a subsidiary of Ennoconn following the close of the Offer and as part of the business integration of Ennoconn with the Company, the Group will, in the ordinary course of business, be entering into certain transactions with the Ennoconn Group as well as Hon Hai and its subsidiaries. Hon Hai, which is listed on the Taiwan Stock Exchange Corporation, is deemed to have an interest in 63.77% of the Shares in which Ennoconn has an interest and is a deemed Controlling Shareholder.
  - (d) Ennoconn and Hon Hai, being Controlling Shareholders, and their respective subsidiaries are interested persons, and transactions with Ennoconn and Hon Hai and their respective associates would constitute interested person transactions and be subject to the provisions of Chapter 9 of the Listing Manual.

#### 3. CHAPTER 9 OF THE LISTING MANUAL

- 3.1 <u>Chapter 9.</u> Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be "at risk", with the listed company's interested persons. When Chapter 9 applies to a transaction with an interested person and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.
- 3.2 <u>Requirements under Chapter 9.</u> Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated NTA) are reached or exceeded.

- 3.3 <u>Announcement and Shareholders' Approval.</u> In particular, an immediate announcement is required to be made by the Company where:
  - (a) the transaction with the interested person is of a value equal to, or more than, 3.0% of the Group's latest audited consolidated NTA; or
  - (b) the aggregate value of all transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year amounts to 3.0% or more of the Group's latest audited consolidated NTA.

In addition to an immediate announcement, Shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:

- (i) 5.0% of the Group's latest audited consolidated NTA; or
- (ii) 5.0% of the Group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

For the purposes of aggregation, any interested person transaction which is below the value of S\$100,000 will be excluded.

- 3.4 <u>Group NTA.</u> Based on the latest audited consolidated accounts of the Group for FY2024, the Group NTA was S\$41.91 million. In relation to the Company for the purposes of Chapter 9 of the Listing Manual, in the current financial year, 3.0% and 5.0% of the Group NTA would be S\$1.26 million and S\$2.10 million respectively.
- 3.5 <u>General Mandate.</u> Pursuant to Chapter 9 of the Listing Manual, the Company is allowed to obtain a general mandate from its Shareholders for recurrent interested person transactions of a revenue or trading nature or for those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, provided that such transactions are carried out on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders and in accordance with the guidelines and review procedures for interested person transactions.
- 3.6 <u>IPT General Mandate.</u> In view of the time-sensitive nature of commercial transactions and the possible frequency of commercial transactions with Ennoconn and Hon Hai and their respective subsidiaries, it would be advantageous to obtain the IPT General Mandate to enter into certain interested person transactions in the normal course of business, provided that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

#### 4. MANDATED INTERESTED PERSONS

- 4.1 <u>Mandated Interested Persons.</u> This IPT General Mandate will apply to the transactions that are carried out between the EAR Group and:
  - (a) Ennoconn and its associates; and
  - (b) Hon Hai and its associates

(together, the "Mandated Interested Persons").

As at the Latest Practicable Date, Ennoconn and Hon Hai and their respective associates comprise in excess of 1,000 entities and have therefore not been specifically named in this Circular. However, it is currently contemplated that the principal entities which are associates of Ennoconn, and associates of Hon Hai, and which the EAR Group will transact with under the IPT General Mandate will include (without limitation) those that are set out in Appendix A to this Circular.

- 4.2 <u>New Mandated Interested Persons.</u> From time to time, there may be new associates of Ennoconn or Hon Hai coming into existence (whether through incorporation or acquisition). It is contemplated that when approval from Shareholders is sought for the renewal of the IPT General Mandate at subsequent annual general meetings or extraordinary general meetings of the Company, additional entities which are associates of Ennoconn or Hon Hai may be added to the list of Mandated Interested Persons in respect of which the IPT General Mandate is sought to be renewed.
- 4.3 <u>Transactions outside of IPT General Mandate.</u> Transactions with the Mandated Interested Persons which do not fall within the ambit of the IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or any other applicable provisions of the Listing Manual.
- 4.4 <u>Transactions below S\$100,000.</u> The IPT General Mandate will not cover any transaction with Interested Persons which has a value below S\$100,000 as transactions below S\$100,000 are not normally aggregated under Rules 905 and 906 of the Listing Manual.

#### 5. CATEGORIES OF MANDATED TRANSACTIONS

The interested person transactions with the Mandated Interested Persons which will be covered by the IPT General Mandate are as follows:

(a) Purchase of products and/or services:

This category relates to the purchase of the following products and/or services by the EAR Group from the Mandated Interested Persons in the ordinary course of business of the EAR Group ("**Purchase Transactions**"):

- (i) operational technology solutions, including without limitation industrial control systems, IoT and industrial IoT, operational technology security solutions, asset management and monitoring, as well as energy and utility solutions;
- (ii) operational technology services, including without limitation operational technology managed services, risk assessment and compliance, industrial automation consulting, as well as incident response and recovery;
- (iii) information technology solutions, including without limitation cybersecurity solutions, computing solutions, as well as networking and infrastructure; and
- (iv) information technology services, including without limitation managed IT services, IT consulting and project management, as well as help desk and technical support.

(b) Sale of products and/or services:

This category relates to the sale of the following products and/or services by the EAR Group to the Mandated Interested Persons in the ordinary course of business of the EAR Group ("**Sale Transactions**"):

- (i) information technology solutions, including without limitation cybersecurity solutions, computing solutions, as well as networking and infrastructure; and
- (ii) information technology services, including without limitation managed IT services, IT consulting and project management, as well as help desk and technical support.
- (c) Provision and/or receipt of corporate, management and support services:

This category relates to the provision and/or receipt of corporate, management and support services ("**Corporate Services**") by the EAR Group to and/or from the Mandated Interested Persons respectively in the ordinary course of business for the EAR Group, particularly subsidiaries of Ennoconn within the Asia-Pacific Region. This includes, without limitation, accounting services, human resource services, information technology services, shared applications, legal services, and other administrative or general support services.

The Purchase Transactions, the Sale Transactions and the provision and/or receipt of the Corporate Services are collectively referred to as "**Mandated Transactions**".

#### 6. RATIONALE FOR AND BENEFITS OF THE IPT GENERAL MANDATE

- 6.1 <u>Background.</u> With the Company becoming a subsidiary of Ennoconn, there will be increasing collaboration between the Ennoconn Group and Hon Hai and its subsidiaries, and the EAR Group, as part of the business integration. It is anticipated that the EAR Group will enter into the Mandated Transactions with the Mandated Interested Persons in the ordinary course of business on a recurring and ongoing basis, and these Mandated Transactions may occur with some degree of frequency and arise at any time and from time to time.
- 6.2 <u>Purchase Transactions.</u> In relation to the Purchase Transactions, the EAR Group will benefit from being able to enhance and expand its offerings of products/services to its customers, and to obtain competitive pricing for such products/services from its access to quotations from the Mandated Interested Persons in addition to quotations from third parties, and may also enable the EAR Group to achieve economies of scale.
- 6.3 <u>Sale Transactions.</u> In relation to the Sale Transactions, the EAR Group will benefit from having an enlarged customer base and increasing its sale of such products/services.
- 6.4 <u>Provision and/or receipt of the Corporate Services.</u> In relation to the provision and/or receipt of the Corporate Services to and/or from the Mandated Interested Persons respectively, this will enhance and facilitate the collaboration between, and business integration of, the Ennoconn Group and the EAR Group, while preventing the duplication of resources, minimising additional costs, and avoiding the imposition of unnecessary layers of bureaucracy.

- 6.5 <u>Rationale.</u> The adoption of the IPT General Mandate and the renewal of the IPT General Mandate on an annual basis thereafter will:
  - (a) eliminate the need to convene separate extraordinary general meetings from time to time to seek Shareholders' approval as and when potential Mandated Transactions with the Mandated Interested Persons arise or prior to implementing any Mandated Transactions with the Mandated Interested Persons. This would substantially reduce the administrative time and expenses (including professional costs and expenses) which would otherwise be incurred in convening such meetings; and
  - (b) enable the EAR Group to capitalise on business opportunities and proceed with commercial transactions falling within the ambit of the IPT General Mandate that may be time-sensitive in nature without compromising the interests of the Company or the minority Shareholders.

#### 7. PROCEDURES FOR MANDATED TRANSACTIONS

- 7.1 <u>General.</u> The EAR Group will establish procedures to ensure that the Mandated Transactions with the Mandated Interested Persons are undertaken at arm's length and on normal commercial terms consistent with the EAR Group's usual business practices and policies and on terms which are generally no more favourable to the Mandated Interested Persons than those extended to non-interested/unrelated third parties, and are in the interests of the Company and not prejudicial to the interests of the Company and the minority Shareholders.
- 7.2 <u>Guidelines and Review Procedures.</u> Specifically, the EAR Group will adopt the following guidelines and review procedures:
  - (a) *Purchase Transactions:* 
    - (i) In relation to the Purchase Transactions, the EAR Group will compare the price and commercial terms offered by the Mandated Interested Persons against quotations from at least two (2) unrelated third parties that are reasonably contemporaneous in time, to ensure that the price and commercial terms offered by the Mandated Interest Persons will not be higher than the most competitive quotation obtained from two (2) unrelated third parties. In determining the most competitive quotation, the EAR Group will take into account all relevant factors, including the pricing, customers' requirements/compliance with specifications, payment milestones and payment terms, rebates/discounts offered, price protection, reliability, warranties, service quality, delivery lead times, history of timely delivery and quantity required.
    - (ii) If it is impracticable or not possible to obtain quotations from unrelated third parties and/or comparative quotations are otherwise not available, the EAR Group will ensure that the prices and commercial terms offered by the Mandated Interested Persons will, at the time of costing for the quotation to be given to the customers for reselling the relevant products and/or services, achieve a gross profit margin that is approved by the Audit and Risk Management Committee from time to time for the relevant products and/or services, subject to circumstances where the EAR Group requires more competitive pricing to submit a practicable offer to its customers (in which event paragraph (iii) will apply). Such gross profit margin will be reviewed by, and subject to approval of, the Audit and Risk

Management Committee on an annual basis (with any Director who has an interest, direct or indirect, in the Mandated Transactions abstaining from such review or approval). Based on the constitution of the Audit and Risk Management Committee as at the date of this Circular, Mr Yu, Ling-Hsiao (Eric Yu) is interested in the IPT General Mandate and will not be involved in reviewing or approving the gross profit margin.

- (iii) If any Purchase Transaction proposed to be entered into does not meet such gross profit margin, the Relevant Authorised Person(s) (as defined in Section 7.3 below) who does not have any conflict of interests, whether direct or indirect, in relation to the transactions will determine whether the price and commercial terms offered are fair and reasonable based on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. This would involve assessment of the price and commercial terms offered by the Mandated Interested Persons by reference to, among other things, industry norms, prevailing market conditions, availability of similar products/services in the market and the EAR Group's usual business practices and policies.
- (b) Sale Transactions:
  - (i) In relation to the Sale Transactions, the EAR Group will determine the price and commercial terms to be offered to the Mandated Interested Persons based on the price and commercial terms of at least two (2) recent successful sale transactions by the EAR Group of the same or similar products/services to unrelated third-party customers that are reasonably contemporaneous in time. The price and commercial terms to be offered to the Mandated Interested Persons will not be more favourable as compared to the terms offered by the EAR Group to unrelated third-party customers subject to circumstances where the EAR Group needs to offer a more competitive pricing and commercial terms in a competitive situation (in which event paragraph (ii) below will apply). When comparing the price and commercial terms, the EAR Group will take into account all relevant factors, including product requirements/specifications, payment milestones and payment terms, and quantity required.
  - (ii) If there is no recent successful sale transaction with unrelated third-party customers for comparison or in a competitive situation, the Relevant Authorised Person(s) (as defined in Section 7.3 below) who does not have any conflict of interests, whether direct or indirect, in relation to the transactions will determine whether the transaction is fair and reasonable based on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. This would involve assessment of the price and commercial terms offered to the Mandated Interested Persons by reference to, among other things, industry norms, prevailing market conditions, availability of third-party customers to whom the products/services can be sold, and the EAR Group's usual gross profit margin for the relevant products/services and business practices and policies.

- (c) Provision and/or receipt of Corporate Services:
  - (i) In relation to the provision and/or receipt of the Corporate Services, the fees will be based on the actual cost incurred by the EAR Group or the Mandated Interested Persons in performing the services plus a reasonable mark-up. The mark-up will be determined based on, and will not be less than the mark-up that is in accordance with, the transfer pricing guidelines issued by the Inland Revenue Authority of Singapore and/or other relevant authorities in the relevant jurisdictions. The mark-up will be reviewed and assessed by the Audit and Risk Management Committee at least on an annual basis or at the request of the Audit and Risk Management Committee.
  - (ii) If it is impracticable or not possible for the fees for the provision and/or receipt of Corporate Services to be based on actual cost plus a reasonable mark-up (in accordance with Section 7.2(c)(i) above), the Relevant Authorised Person(s) (as defined in Section 7.3 below) who does not have any conflict of interests, whether direct or indirect, in relation to the transactions will determine whether the fees to be charged to and/or from the Mandated Interested Persons are fair and reasonable based on normal commercial terms, and will not be prejudicial to the interests of the Company and the minority Shareholders. Such determination will take into account, among other things, the nature, scope, complexity, delivery timeline and duration of the Corporate Services, the costs to and/or from the EAR Group of providing and/or receiving the Corporate Services (which shall be based on the estimated time to be spent by the relevant employees of the EAR Group or the Mandated Interested Persons and their respective remuneration), the payment and/or credit terms, and a reasonable margin by reference to what an unrelated third party service provider would typically charge for the provision and/or receipt of such services.

#### 7.3 Approval by Relevant Authorised Person.

- (a) In order to supplement existing internal control procedures for the Mandated Transactions to ensure that such Mandated Transactions undertaken are on normal commercial terms, such Mandated Transactions will be entered into by the Company only if the prior approval of the relevant authorised person in accordance with the Group's applicable delegation of authority (who does not have any conflict of interests, whether direct or indirect, in relation to the transactions) as may be approved by the Audit and Risk Management Committee ("Relevant Authorised Person") has been obtained (with any Director on the Audit and Risk Management Committee who has an interest, direct or indirect, in the Mandated Transactions abstaining from the process for approving the delegation of authority). Based on the constitution of the Audit and Risk Management Committee as at the date of this Circular, Mr Yu, Ling-Hsiao (Eric Yu) is interested in the IPT General Mandate and will not be involved in the process for approving the delegation of authority.
- (b) In the event that any Relevant Authorised Person has an interest in a Mandated Transaction under review or any business or personal connection with the relevant Mandated Interested Person, the Relevant Authorised Person shall declare his or her interest to the Audit and Risk Management Committee, and shall not participate in any decision-making procedure in respect of that Mandated Transaction. In such case, the review and approval of that Mandated Transactions will be undertaken by an alternative Relevant Authorised Person, who will be a key management personnel with

no conflict of interest, whether direct or indirect, in the Mandated Transaction being reviewed and approved, in accordance with the Group's applicable delegation of authority. For the avoidance of doubt, Mr Chu, Fu-Chuan, who is Chairman and Chief Executive Officer of Ennoconn, will not be one of the Relevant Authorised Persons involved in any decision-making procedure in respect of any Mandated Transaction falling within the ambit of the IPT General Mandate.

- 7.4 <u>Additional Guidelines and Review Procedures.</u> The Group has also implemented the following additional guidelines and review procedures:
  - (a) The Company will maintain and update a list of Mandated Interested Persons to facilitate identification of such Mandated Interested Persons. The list of Mandated Interested Persons shall be tabled during the Audit and Risk Management Committee meeting on an annual basis or at the request of the Audit and Risk Management Committee.
  - (b) The list of Mandated Interested Persons will be disclosed to the relevant key personnel within the Group, and each entity within the EAR Group will be required to promptly inform the finance team of any upcoming Mandated Transactions with a Mandated Interested Person so that the relevant procedures can be complied with and the relevant approvals obtained in accordance with the IPT General Mandate.
  - (c) The Company will maintain a register of all Mandated Transactions, recording and documenting (among other things) the identity of the Mandated Interested Person, the value of the Mandated Transaction, the basis on which they were entered into (including comparative quotations and supporting evidence) and the identity of the Relevant Authorised Person(s) who authorised the transaction.
  - (d) The Chief Financial Officer (or equivalent person) who does not have an interest, direct or indirect, in the Mandated Transactions will review the register of Mandated Transactions on a monthly basis, to ensure that the relevant guidelines and review procedures have been complied with and the Mandated Transactions were carried out on normal commercial terms and not prejudicial to the interest of the Company and the minority Shareholders.
  - (e) The Audit and Risk Management Committee will review all Mandated Transactions and the internal control procedures on interested person transactions (including the Mandated Transactions under the IPT General Mandate) on a quarterly basis as part of its standard procedure, to ascertain that the guidelines and review procedures under the IPT General Mandate have been complied with, and the adequacy of the Group's internal controls.
  - (f) The Group's external auditors will review the Mandated Transactions as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit to the Audit and Risk Management Committee.
  - (g) The Group will incorporate a review of all Mandated Transactions (excluding a transaction that is below S\$100,000 in value) in its internal audit plan on an annual basis. The internal auditors will report directly to the Audit and Risk Management Committee on its findings from the review of the Mandated Transactions.

- (h) If the Audit and Risk Management Committee is of the view that the above guidelines and review procedures are inappropriate or insufficient to ensure that the Mandated Transactions will be on normal commercial terms, and will not be prejudicial to the Company and the minority Shareholders, the Company will in accordance with the Listing Manual seek a fresh mandate from the Shareholders based on new guidelines and review procedures, to ensure that Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the Company and the minority Shareholders. In such a situation, all transactions with the Mandated Interested Persons will be reviewed and approved by the Audit and Risk Management Committee prior to obtaining a fresh mandate from Shareholders.
- (i) The Audit and Risk Management Committee will review all other existing and future interested person transactions not subject to the IPT General Mandate to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders, and in accordance with the relevant rules in the Listing Manual.
- (j) If any member of the Audit and Risk Management Committee has an interest, direct or indirect, in any Mandated Transaction(s) or other interested person transaction(s), he or she will abstain from reviewing and/or approving that particular Mandated Transaction(s) or other interested person transaction(s).

#### 8. VALIDITY PERIOD OF IPT GENERAL MANDATE

- 8.1 <u>Validity of IPT General Mandate.</u> If the proposed ordinary resolution for the adoption of the IPT General Mandate is approved by Shareholders at the EGM, the IPT General Mandate will take effect from the date of passing of such resolution relating thereto and will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier.
- 8.2 <u>Annual Renewal of IPT General Mandate.</u> The Company will seek the approval of Shareholders for the renewal of the IPT General Mandate at every subsequent annual general meeting (or extraordinary general meeting following such general meeting), subject to the satisfactory review by the Audit and Risk Management Committee of the continued requirement of the IPT General Mandate and its continued application to the Mandated Transactions. In accordance with Rule 920(1)(b)(viii) of the Listing Manual, the Mandated Interested Persons and their associates will abstain from voting on the resolution(s) approving the IPT General Mandate.

#### 9. DISCLOSURE

9.1 <u>Periodic Disclosure.</u> The Company will announce the aggregate value of all interested person transactions (including Mandated Transactions pursuant to the proposed IPT General Mandate) for each financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual and within the time required for the announcement of such reports.

9.2 <u>Disclosure in Annual Report.</u> Disclosure will also be made in the Company's annual report of the aggregate value of all interested person transactions (including Mandated Transactions pursuant to the proposed IPT General Mandate) entered into during the financial year under review in the following format as stipulated under Rule 907 of the Listing Manual:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding	Aggregate value of all interested person transactions conducted under shareholders' mandate
		transactions less than \$100,000 and	pursuant to Rule 920 (excluding
		transactions conducted under	transactions less than \$100,000)
		shareholders' mandate pursuant to Rule 920)	

#### 10. OPINION OF THE IFA

- 10.1 <u>IFA.</u> PPCF has been appointed as the independent financial adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual, to opine on whether the guidelines and review procedures for determining the transaction prices of the Mandated Transactions as set out in Section 7 of this Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. A copy of the IFA Letter is set out in Appendix B to this Circular and Shareholders are advised to read the IFA Letter carefully.
- 10.2 <u>IFA's Opinion.</u> Having considered the factors and subject to the assumptions and qualifications set out in the IFA Letter, PPCF is of the view that the guidelines and review procedures for determining the transaction prices of the the Mandated Transactions as set out in Section 7 of this Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

#### 11. STATEMENT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

11.1 <u>Audit and Risk Management Committee.</u> As at the date of this Circular, the Audit and Risk Management Committee comprises Mr Basil Chan, Mr Yu, Ling-Hsiao (Eric Yu), Mr Lum Wai Meng (Lin Weiming) and Ms Jenny Teng Mui Keow. The Chairman of the Audit and Risk Management Committee is Mr Basil Chan.

As Mr Yu, Ling-Hsiao (Eric Yu) is a director of Ennoconn Solutions Singapore, a wholly-owned subsidiary of Ennoconn through which Ennoconn holds the Shares and a director of Vecow Co. Ltd., a wholly-owned subsidiary of Ennoconn, he is considered to be interested in the IPT General Mandate and has also abstained from issuing a view on the IPT General Mandate.

11.2 Opinion of Audit and Risk Management Committee. In relation to the IPT General Mandate, the Audit and Risk Management Committee (other than Mr Yu, Ling-Hsiao (Eric Yu)), having considered and reviewed, among other things, the terms, the rationale and the benefits of the IPT General Mandate as well as the opinion of the IFA, as set out in Appendix B to this Circular, and after discussions with the management of the Company, concurs with the opinion of the IFA and is satisfied that the guidelines and review procedures for the Mandated Transactions, as well as the quarterly reviews to be made by the Audit and Risk Management Committee in relation thereto, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

#### 12. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

As Mr Chu, Fu-Chuan is the Chairman and Chief Executive Officer of Ennoconn, he is considered to be interested in the IPT General Mandate. As Mr Yu, Ling-Hsiao (Eric Yu) is a director of Ennoconn Solutions Singapore, a wholly-owned subsidiary of Ennoconn through which Ennoconn holds the Shares, and a director of Vecow Co. Ltd., a wholly-owned subsidiary of Ennoconn, he is also considered to be interested in the IPT General Mandate. Mr Chu, Fu-Chuan and Mr Yu, Ling-Hsiao (Eric Yu) have abstained from making recommendations to Shareholders in respect of the IPT General Mandate.

Having considered, among other things, the terms, the rationale for and benefits of the IPT General Mandate, as well as the opinion of the IFA, the Non-Interested Directors are of the view that the IPT General Mandate is in the best interests of the Company.

Additionally, for the rationale and benefits set out in Section 6 of this Circular, and taking into account the opinion of the IFA, the Non-Interested Directors recommend that independent Shareholders vote in favour of the ordinary resolution to approve the proposed adoption of the IPT General Mandate at the EGM as set out in the Notice of EGM.

#### 13. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares are set out below:

	Direct Interest		Deemed Interest	
	Number of		Number of	
	Shares	%	Shares	%
Directors				
Mr Chu, Fu-Chuan	-	-	_	-
Mr Yu, Ling-Hsiao (Eric Yu)	_	_	_	_
Mr Basil Chan	_	_	_	_
Mr Lum Wai Meng (Lin Weiming)	_	_	_	_
Ms Jenny Teng Mui Keow	-	_	-	-

	<b>Direct Interest</b>		<b>Deemed Interest</b>	
	Number of	•	Number of	
	Shares	%	Shares	%
Substantial Shareholders (other than Di	rectors)			
Ennoconn Solutions Singapore <sup>(2)</sup>	_	-	230,791,464	63.77
Ennoconn <sup>(3)</sup>	_	-	230,791,464	63.77
Baoxin International Investments Ltd. <sup>(4)</sup>	_	-	230,791,464	63.77
Hon Hai Precision Industry Co., Ltd. <sup>(5)(6)</sup>	_	-	230,791,464	63.77

#### Notes:

- (1) The figures are computed based on the issued and paid-up share capital of the Company comprising 361,897,000 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) 230,791,464 Shares held by Ennoconn Solutions Singapore are registered in the name of DBS Nominees (Private) Limited.
- (3) Ennoconn holds 100% of the shares in Ennoconn Solutions Singapore. Accordingly, Ennoconn is deemed to be interested in all the Shares held by Ennoconn Solutions Singapore pursuant to Section 4 of the SFA.
- (4) Baoxin International Investments Ltd. holds approximately 24.12% of the shares in Ennoconn. Accordingly, Baoxin International Investments Ltd. is deemed to be interested in all the Shares held by Ennoconn Solutions Singapore pursuant to Section 4 of the SFA.
- (5) Hon Hai holds 100% of the shares in Baoxin International Investments Ltd.. Accordingly, Hon Hai is deemed to be interested in all the Shares held by Ennoconn Solutions Singapore pursuant to Section 4 of the SFA.
- (6) Hon Hai is a company listed on the Taiwan Stock Exchange Corporation and none of its shareholders are entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the Company and/or in Hon Hai.

#### 14. ABSTENTIONS

- 14.1 <u>Abstention.</u> In accordance with Rule 920(1)(b)(viii) of the Listing Manual, interested persons and their associates shall abstain from voting on the resolution to approve interested person transactions involving themselves and the entities at risk of the listed issuer. Furthermore, such interested persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the shareholder.
- 14.2 <u>Ennoconn.</u> Ennoconn Solutions Singapore, Ennoconn, Baoxin International Investments Ltd. and Hon Hai and their associates, being interested persons, will abstain from voting on the IPT General Mandate at the EGM.
- 14.3 <u>Mr Chu, Fu-Chuan.</u> Mr Chu, Fu-Chuan, who holds an executive position in Ennoconn, will abstain from voting his shareholdings (if any) on the IPT General Mandate at the EGM.
- 14.4 <u>Mr Yu, Ling-Hsiao (Eric Yu).</u> Mr Yu, Ling-Hsiao (Eric Yu), who is a director of Ennoconn Solutions Singapore and Vecow Co. Ltd., both of which are wholly-owned subsidiaries of Ennoconn, will abstain from voting his shareholdings (if any) on the IPT General Mandate at the EGM.
- 14.5 <u>Acting as proxies.</u> Ennoconn Solutions Singapore, Ennoconn, Baoxin International Investments Ltd. and Hon Hai and their associates, as well as Mr Chu, Fu-Chuan and Mr Yu, Ling-Hsiao (Eric Yu) will decline to accept appointment as proxies to attend and vote at the EGM in respect of the IPT General Mandate for other Shareholders, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast at the EGM.

#### 15. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 35 to 38 of this Circular, will be held at Temasek Club, Brani Room, 131 Rifle Range Road, Singapore 588406 on 29 April 2025, Tuesday at 4.00 p.m. (or as soon thereafter as the Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place is concluded or adjourned) for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution to approve the IPT General Mandate set out in the Notice of EGM.

#### 16. ACTION TO BE TAKEN BY THE SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to:

- (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com,

in each case, not less than 72 hours before the time appointed for holding the EGM, i.e. by 4.00 p.m. on 26 April 2025. The completion and return of a proxy form by a Shareholder do not preclude him from attending and voting in person at the EGM if he wishes to do so. In such an event, the relevant proxy form will be deemed to be revoked.

A depositor shall not be regarded as a member entitled to attend and vote at the EGM unless his name appears in the Depository Register as at 72 hours before the time appointed for holding the EGM.

#### 17. CONSENT

The IFA, PPCF, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter (as set out in Appendix B to this Circular) and references to its name and the IFA Letter, in the form and context in which they appear in this Circular.

#### 18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the IPT General Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

#### 19. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 19 Tai Seng Avenue #06-01 Singapore 534054, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2024;
- (c) the IFA Letter; and
- (d) the letter of consent from the IFA.

Yours faithfully For and on behalf of the Board of Directors of **NERA TELECOMMUNICATIONS LTD** 

Mr Basil Chan Lead Independent Non-Executive Director

## **APPENDIX A – CERTAIN MANDATED INTERESTED PERSONS**

The Mandated Interested Persons will include the following principal entities:

Name of Entity	Relationship with Ennoconn or Hon Hai
Ennowell Co., Ltd.	Indirect subsidiary of Ennoconn
Ennorise Corporation	Indirect subsidiary of Ennoconn
Ennovision Inc.	Indirect subsidiary of Ennoconn
Renown Information Technology Corp.	Indirect subsidiary of Ennoconn
Ennoconn Solutions Singapore Pte. Ltd.	Direct subsidiary of Ennoconn
Kontron AG	Indirect subsidiary of Ennoconn
Caswell Inc.	Direct subsidiary of Ennoconn
Goldtek Technology Co., Ltd.	Indirect subsidiary of Ennoconn
Dexatek Technology Ltd	Indirect subsidiary of Ennoconn
American Industrial Systems, Inc.	Indirect subsidiary of Ennoconn
Vecow Co., Ltd	Indirect subsidiary of Ennoconn
Poslab Technology Corporation	Indirect subsidiary of Ennoconn
SHARP JUSDA Logistics Corporation	Direct subsidiary of Hon Hai
Marketech International Corp.	Indirect subsidiary of Ennoconn

#### PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

16 Collyer Quay #10-00 Collyer Quay Centre Singapore 049318

14 April 2025

Nera Telecommunications Ltd 19 Tai Seng Ave #06-01 Singapore 534054

Attention: The Non-Interested Directors of Nera Telecommunications Ltd

Dear Sir/Madam,

## INDEPENDENT FINANCIAL ADVICE IN RELATION TO THE PROPOSED ADOPTION OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 14 April 2025 issued by the Company to shareholders ("**Shareholders**") of the Company ("**Circular**") shall have the same meaning herein.

#### 1. INTRODUCTION

Nera Telecommunications Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") is a public limited company incorporated in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Group is primarily engaged in providing services such as wireless infrastructure network, network infrastructure, cybersecurity, enterprise service management and managed services to support customers from a wide range of sectors including telco and utilities, healthcare, education, transportation, logistics and financial services, government organisations and enterprises, amongst others.

Ennoconn Corporation ("Ennoconn" and together with its subsidiaries, the "Ennoconn Group") had completed the acquisition of approximately 53.38% of the issued Shares from Asia Systems Ltd and, on 25 September 2024, made a mandatory unconditional cash offer for all the remaining Shares, other than those Shares owned, controlled or agreed to be acquired, directly or indirectly, by Ennoconn and persons acting in concert with it ("Offer"). Following the close of the Offer on 23 October 2024, Ennoconn holds approximately 63.77% of the issued Shares of the Company as at the Latest Practicable Date, through its wholly owned subsidiary, Ennoconn Solutions Singapore Pte. Ltd., and therefore is currently a Controlling shareholder of the Company. In addition, Hon Hai Precision Industry Co., Ltd. ("Hon Hai"), which is listed on the Taiwan Stock Exchange Corporation, is deemed to have an interest in 63.77% of the Shares in which Ennoconn has an interest and is deemed as Controlling Shareholder. Accordingly, Ennoconn and Hon Hai, being the Controlling Shareholders, and their respective associates are considered "interested persons" ("Mandated Interested Persons") within Chapter 9 of the Listing Manual of the SGX-ST ("Listing Manual"). Additional information on the Mandated Interested Persons is set out in Section 4 of the Circular.

Pursuant to Rule 904(4) of the Listing Manual of the SGX-ST, Ennoconn and Hon Hai, and their respective associates are deemed as interested persons within the meaning of Chapter 9 of the Listing Manual, and transactions between the Group and the Mandated Interested Persons are deemed interested person transactions within the meaning of Chapter 9 of the Listing Manual.

The Group envisages to enter into transactions with the Mandated Interested Persons, and the categories of transactions with the Mandated Interested Persons include (i) the purchase of products and/or services in relation to operational technology and information technology solutions and services by the Group ("**Purchase Transactions**"); (ii) the sale of products and/or services by the Group in relation to information technology solutions and services ("**Sale Transactions**"); and (iii) the provision and/or receipt of corporate, management and support services ("**Corporate Services**") by the Group and/or from the Mandated Interested Persons respectively in the ordinary course of business of the Group (collectively, the "**Mandated Transactions**"). The Mandated Transactions are recurring in nature and are part of the day-to-day operations of the Group. Additional information on the Mandated Transactions is set out in Section 5 of the Circular.

Accordingly, the Company is proposing to seek approval from independent shareholders of the Company ("**Independent Shareholders**") for the proposed adoption of a general mandate for interested person transactions pursuant to Rule 920 of the Listing Manual (the "**IPT General Mandate**"). The IPT General Mandate will apply to Mandated Transactions with the Mandated Interested Persons. Upon approval by Independent Shareholders at the extraordinary general meeting of the Company ("**EGM**"), the IPT General Mandate shall, unless sooner revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting ("**AGM**") of the Company or the date by which the next AGM is required by law to be held, whichever is the earlier.

PrimePartners Corporate Finance Pte. Ltd. ("**PPCF**") has been appointed as the independent financial adviser ("**IFA**") as required under Rule 920(1)(b)(v) of the Listing Manual to provide an opinion on whether the guidelines and review procedures pursuant to the IPT General Mandate are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The directors who are deemed to be independent for the purposes of making a recommendation on the IPT General Mandate are namely Mr Basil Chan, Mr Lum Wai Meng (Lin Weiming) and Ms Jenny Teng Mui Keow (collectively, the "**Non-Interested Directors**").

This letter has been prepared to be incorporated as Appendix B in the Circular which sets out our evaluation and opinion of the guidelines and review procedures under the IPT General Mandate. Unless otherwise defined herein or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

#### 2. TERMS OF REFERENCE

The purpose of this letter is to provide an independent opinion as required under Rule 920(1)(b)(v) of the Listing Manual, on whether the guidelines and review procedures pursuant to the IPT General Mandate are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were neither a party to the negotiations entered into by the Company in relation to the transactions contemplated under the IPT General Mandate nor were we involved in the deliberations leading up to the decision of the Directors of the Company to seek approval for the IPT General Mandate. We do not, by this letter, warrant the merits of the IPT General Mandate other than to form an opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the guidelines and review procedures set up by the Company are adequate to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. We have not conducted a comprehensive review of the business, operations or financial condition of the Group.

For the purpose of arriving at our opinion in respect of the IPT General Mandate, we have, as the IFA required under Rule 920(1)(b)(v) of the Listing Manual, taken into account, *inter alia*, the current guidelines and review procedures set up by the Company but have not evaluated and have not been requested to comment on the strategic or commercial merits or risks of the IPT General Mandate or the prospects or earnings potential of the Company or the Group in view of the adoption of the IPT General Mandate, and such evaluation and comments shall remain the sole responsibility of the Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter.

We were also not required or authorised to obtain, and we have not obtained, any quotation or transacted prices from third parties for products or services similar to those which are to be covered by the IPT General Mandate, and therefore are not able to, and will not compare the transactions to similar transactions with third parties.

In the course of our evaluation of the IPT General Mandate, we have relied on, and assumed without independent verification, the accuracy and completeness of published information relating to the Company. We have also relied on the information provided and representations made by the Directors and the Company's management. We have not independently verified such information, representation or assurance made by them, whether written or verbal, and accordingly cannot and do not accept any responsibility for the accuracy, completeness or adequacy of such information, representation or assurance. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information.

We have relied upon the Company's representations that, after making all reasonable inquiries and to the best of the Company's knowledge, information and belief, all material information in connection with the IPT General Mandate and the Company has been disclosed to us, and that such information is true, complete and accurate in all material aspects and that there is no other information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company stated in the Circular to be inaccurate, incomplete or misleading in any material aspect.

Our opinion, as set out in this letter, is based upon the market, economic, political, industry, monetary and other applicable conditions subsisting on, and the information made available to us as of the Latest Practicable Date prior to the issue of this letter. Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should further take note of any announcements relevant to their consideration of the Mandated Transactions which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise the Non-Interested Directors to recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than our letter set out in Appendix B to the Circular). Accordingly, we take no responsibility for and state no views, express or implied, on the contents of the Circular (other than our letter as set out in Appendix B to the Circular).

Our opinion in respect of the IPT General Mandate should be considered in the context of the entirety of this letter and the Circular.

#### 3. RATIONALE FOR AND BENEFITS OF THE IPT GENERAL MANDATE

It is not within our terms of reference to comment or express an opinion on the merits of the adoption of the IPT General Mandate or the future prospects of the Group in view of the adoption of the IPT General Mandate. Nevertheless, we have reviewed the rationale for and benefits of the adoption of the IPT General Mandate as set out in Section 6 of the Circular, and certain rationale and benefits are extracted in italics below for your reference. Shareholders are advised to read Section 6 of the Circular for more details.

- *"6.1 <u>Background.</u>* With the Company becoming a subsidiary of Ennoconn, there will be increasing collaboration between the Ennoconn Group and Hon Hai and its subsidiaries, and the EAR Group, as part of the business integration. It is anticipated that the EAR Group will enter into the Mandated Transactions with the Mandated Interested Persons in the ordinary course of business on a recurring and ongoing basis, and these Mandated Transactions may occur with some degree of frequency and arise at any time and from time to time.
- 6.2 <u>Purchase Transactions</u>. In relation to the Purchase Transactions, the EAR Group will benefit from being able to enhance and expand its offerings of products/services to its customers, and to obtain competitive pricing for such products/services from its access to quotations from the Mandated Interested Persons in addition to quotations from third parties, and may also enable the EAR Group to achieve economies of scale.
- 6.3 <u>Sale Transactions.</u> In relation to the Sale Transactions, the EAR Group will benefit from having an enlarged customer base and increasing its sale of such products/ services.

- 6.4 <u>Provision and/or receipt of the Corporate Services</u>. In relation to the provision and/or receipt of the Corporate Services to and/or from the Mandated Interested Persons respectively, this will enhance and facilitate the collaboration between, and business integration of, the Ennoconn Group and the EAR Group, while preventing the duplication of resources, minimising additional costs, and avoiding the imposition of unnecessary layers of bureaucracy.
- 6.5 <u>Rationale.</u> The adoption of the IPT General Mandate and the renewal of the IPT General Mandate on an annual basis thereafter will:
  - (a) eliminate the need to convene separate extraordinary general meetings from time to time to seek Shareholders' approval as and when potential Mandated Transactions with the Mandated Interested Persons arise or prior to implementing any Mandated Transactions with the Mandated Interested Persons. This would substantially reduce the administrative time and expenses (including professional costs and expenses) which would otherwise be incurred in convening such meetings; and
  - (b) enable the EAR Group to capitalise on business opportunities and proceed with commercial transactions falling within the ambit of the IPT General Mandate that may be time-sensitive in nature without compromising the interests of the Company or the minority Shareholders."

#### 4. SCOPE OF THE IPT GENERAL MANDATE

The IPT General Mandate covers the categories of interested person transactions between the Group and the Mandated Interested Persons, and describes the guidelines and review procedures for ensuring that such transactions will be entered into on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IPT General Mandate will not cover any interested person transaction which has a value below S\$100,000 as, pursuant to Rules 905(3) and 906(2) of the Listing Rules, the threshold and aggregation requirements of Chapter 9 of the Listing Manual do not apply to such transactions.

Transactions with interested persons (including the Mandated Interested Persons) that do not fall within the ambit of the IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

#### 5. CATEGORIES OF MANDATED TRANSACTIONS

The categories of interested person transactions which will be covered by the IPT General Mandate are the Purchase Transactions, the Sale Transactions and the provision and/or receipt of Corporate Services. The details are set out in Section 5 of the Circular.

#### 6. INFORMATION ON THE MANDATED INTERESTED PERSONS

The names and details of Mandated Interested Persons are set out in Section 4 of the Circular, and Shareholders are advised to read the information carefully.

## 7. GUIDELINES AND REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 The Group has established guidelines and review procedures to ensure that the Mandated Transactions with Mandated Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Mandated Interested Persons than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders. We note that the methods and procedures include:

#### (a) Purchase Transactions

The guidelines and review procedures are:

- (i) In relation to the Purchase Transactions, the EAR Group will compare the price and commercial terms offered by the Mandated Interested Persons against quotations from at least two (2) unrelated third parties that are reasonably contemporaneous in time, to ensure that the price and commercial terms offered by the Mandated Interested Persons will not be higher than the most competitive quotation obtained from two (2) unrelated third parties. In determining the most competitive quotation, the EAR Group will take into account all relevant factors, including the pricing, customers' requirements/compliance with specifications, payment milestones and payment terms, rebates/discounts offered, price protection, reliability, warranties, service quality, delivery lead times, history of timely delivery and quantity required.
- (ii) If it is impracticable or not possible to obtain quotations from unrelated third parties and/or comparative quotations are otherwise not available, the EAR Group will ensure that the prices and commercial terms offered by the Mandated Interested Persons will, at the time of costing for the quotation to be given to the customers for reselling the relevant products and/or services, achieve a gross profit margin that is approved by the Audit and Risk Management Committee from time to time for the relevant products and/or services, subject to circumstances where the EAR Group requires more competitive pricing to submit a practicable offer to its customers (in which event paragraph (iii) will apply). Such gross profit margin will be reviewed by, and subject to approval of, the Audit and Risk Management Committee on an annual basis (with any Director who has an interest, direct or indirect, in the Mandated Transactions abstaining from such review of approval). Based on the constitution of the Audit and Risk Management Committee as at the date of the Circular, Mr Yu, Ling-Hsiao (Eric Yu) is interested in the IPT General Mandate and will not be involved in reviewing or approving the gross profit margin.

- (iii) If any Purchase Transactions proposed to be entered into does not meet such gross profit margin, the Relevant Authorised Person(s) (as defined in Section 7.3 of the Circular) who does not have any conflict of interests, whether direct or indirect, in relation to the transactions will determine whether the price and commercial terms offered are fair and reasonable based on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. This would involve assessment of the price and commercial terms offered by the Mandated Interested Persons by reference to, among other things, industry norms, prevailing market conditions, availability of similar products/ services in the market and the EAR Group's usual business practices and policies.
- (b) Sale Transactions

The guidelines and review procedures are:

- (i) In relation to the Sale Transactions, the EAR Group will determine the price and commercial terms to be offered to the Mandated Interested Persons based on the price and commercial terms of at least two (2) recent successful sale transactions by the EAR Group of the same or similar products/services to unrelated third-party customers that are reasonably contemporaneous in time. The price and commercial terms to be offered to the Mandated Interested Persons will not be more favourable as compared to the terms offered by the EAR Group to unrelated third-party customers subject to circumstances where the EAR Group needs to offer a more competitive pricing and commercial terms in a competitive situation (in which event paragraph (ii) below will apply). When comparing the price and commercial terms, the EAR Group will take into account all relevant factors, including product requirements/specifications, payment milestones and payment terms, and quantity required.
- (ii) If there is no recent successful sale transaction with unrelated third-party customers for comparison or in a competitive situation, the Relevant Authorised Person(s) (as defined in Section 7.3 of the Circular) who does not have any conflict of interests, whether direct or indirect, in relation to the transactions will determine whether the transaction is fair and reasonable based on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. This would involve assessment of the price and commercial terms offered to the Mandated Interested Persons by reference to, among other things, industry norms, prevailing market conditions, availability of third-party customers to whom the products/services can be sold, and the EAR Group's usual gross profit margin for the relevant products/services and business practices and policies.

#### (c) Provision and/or receipt of Corporate Services

The guidelines and review procedures are:

- (i) In relation to the provision and/or receipt of the Corporate Services, the fees will be based on the actual cost incurred by the EAR Group or the Mandated Interested Persons in performing the services plus a reasonable mark-up. The mark-up will be determined based on, and will not be less than the mark-up that is in accordance with, the transfer pricing guidelines issued by the Inland Revenue Authority of Singapore and/or other relevant authorities in the relevant jurisdictions. The mark-up will be reviewed and assessed by the Audit and Risk Management Committee at least on an annual basis or at the request of the Audit and Risk Management Committee.
- If it is impracticable or not possible for the fees for the provision and/or receipt of (ii) Corporate Services to be based on actual cost plus a reasonable mark-up (in accordance with Section 7.2(c)(i) of the Circular), the Relevant Authorised Person(s) (as defined in Section 7.3 of the Circular) who does not have any conflict of interests, whether direct or indirect, in relation to the transactions will determine whether the fees to be charged to and/or from the Mandated Interested Persons are fair and reasonable based on normal commercial terms, and will not be prejudicial to the interests of the Company and the minority Shareholders. Such determination will take into account, among other things, the nature, scope, complexity, delivery timeline and duration of the Corporate Services, the costs to and/or from the EAR Group of providing and/or receiving the Corporate Services (which shall be based on the estimated time to be spent by the relevant employees of the EAR Group or the Mandated Interested Persons and their respective remuneration), the payment and/or credit terms, and a reasonable margin by reference to what an unrelated third party service provider would typically charge for the provision and/or receipt of such services.

#### (d) Approval by Relevant Authorised Person

- (i) In order to supplement existing internal control procedures for the Mandated Transactions to ensure that such Mandated Transactions undertaken are on normal commercial terms, such Mandated Transactions will be entered into by the Company only if the prior approval of the relevant authorised person in accordance with the Group's applicable delegation of authority (who does not have any conflict of interests, whether direct or indirect, in relation to the transactions) as may be approved by the Audit and Risk Management Committee ("Relevant Authorised Person") has been obtained (with any Director on the Audit and Risk Management Committee who has an interest, direct or indirect, in the Mandated Transactions abstaining from the process for approving the delegation of authority). Based on the constitution of the Audit and Risk Management Committee as at the date of the Circular, Mr Yu, Ling-Hsiao (Eric Yu) is interested in the IPT General Mandate and will not be involved in the process for approving the delegation of authority.
- (ii) In the event that any Relevant Authorised Person has an interest in a Mandated Transaction under review or any business or personal connection with the relevant Mandated Interested Person, the Relevant Authorised Person shall declare his or her interest to the Audit and Risk Management Committee, and

shall not participate in any decision-making procedure in respect of that Mandated Transaction. In such case, the review and approval of that Mandated Transaction will be undertaken by an alternative Relevant Authorised Person, who will be a key management personnel with no conflict of interest, whether direct or indirect, in the Mandated Transaction being reviewed and approved, in accordance with the Group's applicable delegation of authority. For the avoidance of doubt, Mr Chu, Fu-Chuan, who is Chairman and Chief Executive Officer of Ennoconn, will not be one of the Relevant Authorised Persons involved in any decision-making procedure in respect of any Mandated Transaction falling within the ambit of the IPT General Mandate.

7.2 Additional guidelines and review procedures

In addition to the guidelines and review procedures set out in Paragraph 7.1 of this letter, the Company will also implement the following additional guidelines and review procedures to ensure that the Mandated Transactions are undertaken on an arm's length basis and on normal commercial terms:

- (a) The Company will maintain and update a list of Mandated Interested Persons to facilitate identification of such Mandated Interested Persons. The list of Mandated Interested Persons shall be tabled during the Audit and Risk Management Committee meeting on an annual basis or at the request of the Audit and Risk Management Committee.
- (b) The list of Mandated Interested Persons will be disclosed to the relevant key personnel within the Group, and each entity within the EAR Group will be required to promptly inform the finance team of any upcoming Mandated Transactions with a Mandated Interested Person so that the relevant procedures can be complied with and the relevant approvals obtained in accordance with the IPT General Mandate.
- (c) The Company will maintain a register of all Mandated Transactions, recording and documenting (among other things) the identity of the Mandated Interested Person, the value of the Mandated Transaction, the basis on which they were entered into (including comparative quotations and supporting evidence) and the identity of the Relevant Authorised Person(s) who authorised the transaction.
- (d) The Chief Financial Officer (or equivalent person) who does not have an interest, direct or indirect, in the Mandated Transactions will review the register of Mandated Transactions on a monthly basis, to ensure that the relevant guidelines and review procedures have been complied with and the Mandated Transactions were carried out on normal commercial terms and not prejudicial to the interest of the Company and the minority Shareholders.
- (e) The Audit and Risk Management Committee will review all Mandated Transactions and the internal control procedures on interested person transactions (including the Mandated Transactions under the IPT General Mandate) on a quarterly basis as part of its standard procedure, to ascertain that the guidelines and review procedures under the IPT General Mandate have been complied with, and the adequacy of the Group's internal controls.

- (f) The Group's external auditors will review the Mandated Transactions as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit to the Audit and Risk Management Committee.
- (g) The Group will incorporate a review of all Mandated Transactions (excluding a transaction that is below S\$100,000 in value) in its internal audit plan on an annual basis. The internal auditors will report directly to the Audit and Risk Management Committee on its findings from the review of the Mandated Transactions.
- (h) If the Audit and Risk Management Committee is of the view that the above guidelines and review procedures are inappropriate or insufficient to ensure that the Mandated Transactions will be on normal commercial terms, and will not be prejudicial to the Company and the minority Shareholders, the Company will in accordance with the Listing Manual seek a fresh mandate from the Shareholders based on new guidelines and review procedures, to ensure that Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the Company and the minority Shareholders. In such a situation, all transactions with Mandated Interested Persons will be reviewed and approved by the Audit and Risk Management Committee prior to obtaining a fresh mandate from Shareholders.
- (i) The Audit and Risk Management Committee will review all other existing and future interested person transactions not subject to the IPT General Mandate to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders, and in accordance with the relevant listing rules of the Listing Manual.
- (j) If any member of the Audit and Risk Management Committee has an interest, direct or indirect, in any Mandated Transaction(s) or other interested person transaction(s), he or she will abstain from reviewing and/or approving that particular Mandated Transaction(s) or other interested person transaction(s).

#### 8. VALIDITY PERIOD OF THE IPT GENERAL MANDATE

The IPT General Mandate is subject to the Shareholders' approval at the EGM. If approved by the Shareholders at the EGM, the IPT General Mandate will take effect from the date of passing of such resolution relating thereto and will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

The Company will seek the approval of Shareholders for the renewal of the IPT General Mandate at every subsequent AGM (or extraordinary general meeting following such general meeting), subject to the satisfactory review by the Audit and Risk Management Committee of the continued relevance and application to the Mandated Transactions and the sufficiency of the guidelines and review procedures under the IPT General Mandate. In accordance with Rule 920(1)(b)(viii) of the Listing Manual, the Mandated Interested Persons and their associates will abstain from voting on the resolution(s) approving the IPT General Mandate.

#### 9. DISCLOSURE OF MANDATED INTERESTED PERSONS TRANSACTIONS

The Company will announce the aggregate value of all interested person transactions (including Mandated Transactions pursuant to the proposed adoption of the IPT General Mandate) for each financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of all interested person transactions (including Mandated Transactions pursuant to the proposed adoption of the IPT General Mandate) entered into during the financial year under review in the format as stipulated under Rule 907 of the Listing Manual.

#### 10. ABSTENTION FROM VOTING

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, the Mandated Interested Persons shall abstain from voting on the proposed adoption of IPT General Mandate involving themselves and the Group. Furthermore, such Mandated Interested Persons shall not act as proxies in relation to such resolution unless voting instructions have been given by the Shareholder.

We note that Ennoconn Solutions Singapore, Ennoconn, Baoxin International Investments Ltd., Hon Hai and their associates, as well as Mr Chu, Fu-Chuan and Mr Yu, Ling-Hsiao (Eric Yu) will abstain from voting on the ordinary resolution in relation to the proposed adoption of the IPT General Mandate at the EGM. Further, Ennoconn Solutions Singapore, Ennoconn, Baoxin International Investments Ltd., Hon Hai and their associates, as well as Mr Chu, Fu-Chuan and Mr Yu, Ling-Hsiao (Eric Yu) will decline to accept appointment as proxies to attend and vote at the EGM in respect of the proposed adoption of the IPT General Mandate for other Shareholders, unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast at the EGM.

#### 11. OPINION

In arriving at our opinion in respect of the IPT General Mandate, we have considered, *inter alia*, the guidelines and review procedures set up by the Company, the role of the Audit and Risk Management Committee in enforcing the guidelines and review procedures for Mandated Transactions pursuant to the IPT General Mandate, the role of the internal auditors to conduct a review on the guidelines and established review procedures on an annual basis (or at the request of the Audit and Risk Management Committee), the abstention from decision-making and voting at board meetings for Directors and members of the Audit and Risk Management Committee whom are interested in the Mandated Transactions (as the case may be), and the rationale for and benefits of the IPT General Mandate.

Having regard to the considerations set out in this letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the guidelines and review procedures for determining the transaction prices of the Mandated Transactions under the IPT General Mandate as set out in Section 7 of the Circular, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This letter has been prepared pursuant to Rule 920(1)(b)(v) of the Listing Manual as well as for the use of the Non-Interested Directors in their consideration of the IPT General Mandate. The recommendations made by the Non-Interested Directors to the Shareholders in relation to the IPT General Mandate shall remain the sole responsibility of the Non-Interested Directors.

Whilst a copy of this letter may be reproduced in Appendix B to the Circular and for any matter in relation to the IPT General Mandate, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of PPCF in each specific case except for the purposes of the EGM of the Company to be held on 29 April 2025 in relation to the IPT General Mandate. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully, For and on behalf of **PrimePartners Corporate Finance Pte. Ltd.** 

Mark LiewPang Xu XianChief Executive Officer and Executive DirectorAssociate Director, Corporate Finance

### NERA TELECOMMUNICATIONS LTD

(Incorporated in the Republic of Singapore) (Company Registration No.: 197802690R)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting ("**EGM**") of Nera Telecommunications Ltd ("**Company**") will be held at Temasek Club, Brani Room, 131 Rifle Range Road, Singapore 588406 on Tuesday, 29 April 2025 at 4.00 p.m. (or as soon thereafter as the Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place is concluded or adjourned) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution which will be proposed as an ordinary resolution.

All capitalised terms used in this Notice of EGM which are not defined herein shall have the meanings given to them in the circular to shareholders of the Company dated Monday, 14 April 2025 ("**Circular**").

## ORDINARY RESOLUTION: The Proposed Adoption of the General Mandate for Interested Person Transactions

THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") ("Listing Manual"), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9 of the Listing Manual, or any of them, to enter into any of the Mandated Transactions (as defined in the Circular) with the Mandated Interested Persons (as defined in the Circular), provided that such transactions are carried out on normal commercial terms, will not be prejudicial to the interests of the Company and its minority shareholders and in accordance with the guidelines and review procedures for such interested person transactions ("IPT General Mandate");
- (b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
- (c) the Audit and Risk Management Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendments to Chapter 9 of the Listing Manual which may be prescribed by the SGX-ST from time to time; and

(d) the Directors of the Company and each of them be and are hereby severally authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required and to make such amendments thereto) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to the transactions contemplated and/or authorised by the IPT General Mandate and/or this resolution.

BY ORDER OF THE BOARD

Gn Jong Yuh Gwendolyn Company Secretary

Singapore,

14 April 2025

#### Notes:

- The members of the Company are invited to attend physically at the Extraordinary General Meeting ("EGM"). There
  will be no option for members to participate virtually. Printed copies of this Notice and the accompanying proxy form
  will be sent to members. In addition, this Notice and the accompanying proxy form will also be made available on
  SGXNet at the URL: <u>https://www.sgx.com/securities/company-announcements</u> and the Company's Investor
  Relations ("IR") website at the URL: <u>https://www.nera.net/investors/publications</u>.
- 2. Please bring along your NRIC/passport so as to enable the Company to verify your identity. Members are requested to arrive early to facilitate the registration process.

#### Voting by proxy

- 3. A member who is unable to attend the EGM may appoint not more than two (2) proxies to attend, speak and vote at the EGM. A proxy need not be a member of the Company.
- 4. Where such member appoints two (2) proxies, the proportion of his/her shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- 5. A member who is a Relevant Intermediary may appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

For this purpose, the term "Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
- 6. A corporation which is a member may appoint an authorised representative or representatives in accordance with section 179 of the Companies Act 1967 of Singapore to attend and vote for and on behalf of such corporation.
- 7. A member can appoint the Chairperson of the Meeting as his/her/its proxy, but this is not mandatory.
- 8. Where a member (whether individual or corporate) appoints the Chairperson of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of the resolution in the form of proxy, and if there is no specific instruction as to voting or abstentions from voting in respect of the resolution in the form of proxy, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
- For investors who hold shares through relevant intermediaries, including Central Provident Fund Investment Schemes ("CPFIS Investors") and/or Supplementary Retirement Scheme ("SRS Investors") should approach their respective CPF Agent Banks or SRS Operators and submit their votes by 5.00 p.m. on 16 April 2025, being seven (7) working days prior to the date of EGM.
- 10. The Chairperson of the EGM, as proxy, need not be a member of the Company.
- 11. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
- 12. Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

- 13. The instrument appointing the proxy/ies must be submitted to the Company in the following manner:
  - (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at srs.proxy@boardroomlimited.com,

in either case, by 4.00 p.m. on Saturday, 26 April 2025, being no later than 72 hours before the time fixed for the EGM, and in default the instrument of proxy shall not be treated as valid.

- 14. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
- 15. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the EGM.
- 16. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

#### Submission of questions in advance of the EGM

- 17. Members who wish to submit questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM must be submitted in the following manner no later than 4.00 p.m. on Tuesday, 22 April 2025:
  - (a) by email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com; or
  - (b) by post to the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.
- 18. When sending in their questions by email or post, members are required to provide the Company with the following details to enable the Company to verify the shareholders' status:
  - their full name;
  - their address; and
  - the manner in which they hold shares in the Company (e.g. via CDP, CPF or SRS).
- 19. The Company will endeavour to address all substantial and relevant questions submitted prior to the EGM by publishing the responses to such questions on the Company's corporate website and on SGXNet before 4.00 p.m. on Thursday, 24 April 2025.

#### Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM of the Company and/or any adjournment thereof and submitting any question to the Company in advance of the EGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM of the Company (including any adjournment thereof) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

#### NERA TELECOMMUNICATIONS LTD

(Company Registration No.: 197802690R) (Incorporated in the Republic of Singapore)

#### **PROXY FORM**

#### EXTRAORDINARY GENERAL MEETING

#### IMPORTANT:

- 1. A Relevant Intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see Note 4 for the definition of "**Relevant Intermediary**").
- 2. For investors who have used their CPF or SRS monies to buy Nera Telecommunications Ltd's shares, the Circular is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPFIS Investors or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPFIS Investors or SRS Investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 16 April 2025.

I/We, \_\_\_\_\_\_ (Name) \_\_\_\_\_\_ (NRIC/Passport/Co. Reg. No) of \_\_\_\_\_\_\_ (Address)

being a member/members of Nera Telecommunications Ltd ("Company"), hereby appoint:

Name	NRIC/Passport Number	Proportion of shareholdings to be represented by proxy	
		No. of shares	%
Address			

\*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of shareholdings to be represented by proxy	
		No. of shares	%
Address			

or failing him/her, the Chairperson of the Meeting as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be convened and held at Temasek Club, Brani Room, 131 Rifle Range Road, Singapore 588406 on 29 April 2025, Tuesday at 4.00 p.m. (or as soon thereafter as the Annual General Meeting of the Company to be held at 3.00 p.m. on the same day at the same place is concluded or adjourned) and at any adjournment thereof.

\*I/We direct \*my/our proxy/proxies to vote for or against the Ordinary Resolution, or abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder. In absence of specific instructions as to voting, or abstentions from voting, in respect of a resolution, the proxy/proxies for that resolution will vote or abstain from voting at \*his/their discretion.

	Number of Votes For <sup>#</sup>	Number of Votes Against <sup>#</sup>	Number of Votes Abstained <sup>#</sup>
Ordinary Resolution			
To Approve the Proposed Adoption of the General Mandate for Interested Person Transactions			

\* Delete as appropriate.

y

# If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a ( $\sqrt{}$ ) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this	day of	2025
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Shares in:	No. of Shares
(i) CDP Register	
(ii) Register of Members	
Total:	

Signature(s) of Shareholder(s)/Common Seal

IMPORTANT: Please read notes overleaf.

#### Notes:

- 1. A member who is unable to attend the EGM may appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting ("EGM") of the Company. A proxy need not be a member of the Company.
- 2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you name in the Register against your name in the Depository Register and shares registered in your name in the Register of Members. If you should insert that number of shares. If you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
- 3. Where a member appoints two (2) proxies, the proportion of his/her shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
- 4. A member who is a Relevant Intermediary may appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

For this purpose, the term "Relevant Intermediary" means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who hold shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under the Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
- 5. A corporation which is a member may appoint an authorised representative or representatives in accordance with section 179 of the Companies Act 1967 of Singapore to attend and vote for and on behalf of such corporation.
- 6. A member can appoint the Chairperson of the Meeting as his/her/its proxy, but this is not mandatory.
- 7. Where a member (whether individual or corporate) appoints the Chairperson of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of the resolution in the form of proxy, and if there is no specific instruction as to voting or abstentions from voting in respect of the resolution in the form of proxy, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
- 8. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
- 9. Where an instrument appointing a proxy is signed on behalf of the appointor by the attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 10. The instrument appointing the proxy/ies must be submitted to the Company in the following manner: (a) if submitted by post, be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or (b) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com, in either case, by 4.00 p.m. on Saturday, 26 April 2025, being no later than 72 hours before the time fixed for the EGM, and in default the instrument of proxy shall not be treated as valid.
- 11. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.
- 12. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the EGM.
- 13. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated Monday, 14 April 2025.

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