

# GENERATING SOLUTIONS FOR A SMART FUTURE

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## GENERATING SOLUTIONS FOR A SMART FUTURE

Nera Telecommunications Ltd ("NeraTel") is an established technology integrator with a proven track record in delivering comprehensive, turnkey solutions and services that enhance digital transformation and operational efficiency. Incorporated in 1978 and listed on the SGX Mainboard since 1999, NeraTel is headquartered in Singapore, with a diversified geographical presence across Asia-Pacific, Europe, Middle East and Africa. A member of the Ennoconn Technology Group since its acquisition in October 2024 by major shareholder Ennoconn Corporation, a Foxconn associate company specialising in intelligent Internet of Things ("IoT"), Artificial Intelligence ("AI"), and embedded technology solutions, NeraTel is supported by a global team of highly-certified professionals with expertise in both Information Technology ("IT") and Operational Technology ("OT") offerings to serve its strong customer base from a wide range of industries, including education, financial services, government, green building, healthcare, logistics, media, service provider, transportation, utilities, and more.

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### CHAIRMAN STATEMENT



#### Dear Shareholders,

On behalf of the Board of Directors ("the Board"), it is my privilege to present the Annual Report and Financial Statements of Nera Telecommunications Ltd ("NeraTel" or the "Group") for the year ended 31 December 2024 ("FY2024"). This year marks a pivotal chapter in our transformation journey as we continue to innovate, adapt, and create value for all stakeholders amidst evolving global dynamics, and ongoing macro uncertainties.

#### FINANCIAL HIGHLIGHTS

FY2O24 has been a challenging year for NeraTel, largely due to persistent market headwinds, with economic challenges and prolonged geopolitical tensions. As a result, revenue declined 30.7% to \$98.2 million from \$141.7 million over the same corresponding period ("FY2O23"), impacted by lower contributions from two of the Group's business sectors – the Service Provider ("SP") and Government, Transport and Utility ("GTU") divisions. This was partially offset by growth in the Enterprise ("ENT") segment, driven by demand for cybersecurity services principally from the banking sector in both Singapore and Indonesia.

Revenue from Network Infrastructure ("NI") declined to \$78.9 million in FY2O24 (FY2O23: \$113.4 million) due to lower revenue generation across the various regions of operation. FY2O24 also saw a reduction in demand for Wireless Infrastructure Network ("WIN") solutions, which netted in \$19.4 million compared to \$28.3 million over the same period, owing to lower revenue from most regions.

Of note, gross profit margin remained healthy, with a 2.8 percentage point year-on-year ("yoy") growth to 24.8% from 22.1%, mainly lifted by strong service margins and project closure adjustments. This was achieved notwithstanding a 21.9% decline in gross profit, which slid to \$24.4 million for FY2024, from \$31.2 million in FY2023.

Our balance sheet stayed resilient as well, with cash and bank balances, and fixed deposits of \$14.3 million as of 31 December 2024.

#### QUALITY ORDER BOOK

NeraTel's order intake for FY2O24 grew approximately 19.4% to \$114.1 million, a substantial \$18.5 million increase as compared to \$95.6 million in FY2O23, supported by orders secured from all three business segments.

We continue to execute three strategic projects secured in 2024, in line with our efforts to provide services that reinforce the Group's position as a comprehensive solutions provider. In January 2024, we secured a five-year managed services component of a \$10 million project with a leading Southeast Asian service provider to implement infrastructure across over 30 sites for the latter's digital economy operations.

We were also part of the consortium that was awarded a \$20 million project in February 2024 to revamp Singapore's bus ticketing depot system, under our GTU segment. We are working closely with RFNet Technologies Pte Ltd to deploy a full suite of solutions across 14 existing bus depots, with an option for four future depots.

In June 2024, we clinched a three-year contract renewal worth \$17.6 million for managed services with a service provider in Singapore, contributing to our recurring income stream. This enables the Group to continue providing ongoing support to the customer, which include the management, maintenance, and performance reporting of relevant equipment and software, as well as 24 x 7 assistance.

These contract wins position us to maintain our trajectory and deliver long-term value to our shareholders moving forward. Our focus on higher margin projects, stable and recurring revenue streams, and strategic partnerships underscores our commitment to drive continual innovation and operational excellence in the years ahead.

#### PARTNERSHIP WITH MAJOR SHAREHOLDER, ENNOCONN CORPORATION, TO ACCELERATE TRANSFORMATION

As shareholders are aware, last year marked an important milestone in the Group's history, when Ennoconn Corporation, a leading global industrial PC group renowned for its expertise in manufacturing customisable hardware solutions, acquired a majority 63.77%<sup>1</sup> stake in NeraTel. This strategic alliance not only strengthens NeraTel's position as a key player in the rapidly evolving digital transformation landscape, but also sets the stage for a future defined by growth, innovation and resilience.

<sup>1</sup> The percentage shareholding interest was rounded to two (2) decimal places and is based on 361,897,000 Shares which was obtained from publicly available information.

### CHAIRMAN STATEMENT

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We will collaborate closely with Ennoconn, leveraging the Ennoconn Solution as a Service ("ESaaS") model and our collective expertise to deliver the optimal combination of turnkey IT and OT solutions to fulfil our customers' needs. At the same time, we will expand our product offerings and integrate existing systems to fortify our presence in our areas of operation.

With our combined expertise, we are now poised to expand into a portfolio of high-impact offerings in areas such as railway dedicated networks ("RDN"), smart manufacturing solutions, IoT, AI applications, and environmental, social and governance ("ESG") initiatives.

These synergies are expected to drive innovation, improve service delivery, and create new avenues for growth, to better enable the Group to deliver comprehensive, integrated solutions that meet the evolving needs of our clients.

Regularly assessing our geographical footprint to ensure its financial viability, we remain dedicated to enhancing our presence and expanding into the most strategically important markets.

Together, NeraTel and Ennoconn are committed to empowering businesses and communities through innovative, reliable, and sustainable solutions.

#### OUTLOOK

The global economy remains challenging, shaped by ever-changing geopolitical uncertainties, fluctuations in interest rates, and rapid technological advancement. The International Monetary Fund projects global growth in 2025 to be at 3.3%, but persistent economic headwinds are expected to prolong the state of market volatility. While this situation poses risks, it also presents a myriad of opportunities for the Group.

Against this backdrop, we are well-positioned to capitalise on emerging opportunities. The increasing demand for advanced network solutions, smart manufacturing technologies, and sustainable practices aligns closely with the Group's core competencies, augmented by our recent partnership with Ennoconn. With enhanced end-to-end OT solutions, alongside recently announced government initiatives aimed at boosting Singapore's digital economy and innovation ecosystem, we find ourselves primed for growth and transformation in the years ahead.

As we look ahead to 2025, we remain cautiously optimistic about the opportunities and challenges that lie before us. Our priorities for the coming year will be to continue refining and optimising our product offerings, integrating existing systems, and securing projects that align with our strategic objectives. This includes minimising collection risks and ensuring timely project delivery.

We will also further diversify our customer base to serve more organisations in the Financial Services, Utilities, Oil & Gas, and Transportation sectors, to unlock new revenue streams, while harnessing our synergies with Ennoconn in integrating hardware expertise with our network solutions.

Specifically, we will focus on delivering end-to-end OT offerings, including smart retail, smart building systems, smart factories, cybersecurity, IoT, AI and sustainability-driven solutions.

Finally, we remain steadfast in our commitment to invest in innovation and in our sustainability goals to reduce our carbon footprint through more energy-efficient practices. Our success in FY2O25 will depend on the continued support of our stakeholders. To our shareholders, we remain committed to delivering sustainable value through disciplined financial management and prudent capital allocation. To our customers, we pledge to continue providing high-quality, tailored solutions that address their unique challenges. To our employees, we affirm our dedication to continue offering opportunities for growth and development, and fostering a culture of collaboration and professional excellence.

While uncertainties persist, we are confident in our ability to navigate these challenges and seize opportunities ahead. With a robust balance sheet, a clear strategic roadmap, and the unwavering resolute of our team, we believe that we are well-placed to drive long-term value creation for all stakeholders.

#### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank all our customers, business partners and suppliers for their ongoing support.

I would also like to extend our deep appreciation to all NeraTel employees or "Nerators". NeraTel would not be where we are today without you. We are proud of the culture of innovation and excellence that you embody, and we remain committed to investing in your growth and development as we move forward.

I also wish to take this opportunity to thank my fellow Board of Directors for their invaluable guidance, wisdom, and counsel throughout the year. Their leadership and strategic oversight have been pivotal in steering the Group toward sustainable growth and long-term value creation.

On behalf of the Group, I want to express our heartfelt gratitude to Mr Chong Hoi Ming for his vision and leadership since taking over as CEO in 2022. He was instrumental in streamlining operations and leading the Group through several significant milestones, including navigating the acquisition by Ennoconn, to position NeraTel for continued success. We are grateful to him for his many contributions, and the positive impact he has had on both our operations and our people, and wish him all the best.

I would also like to express our sincere appreciation to former Directors, Mr Wong Chee-Yann, Mr Tommy Teo Zhi Zhuang and Ms Kay Pang Ker-Wei, for their invaluable support and contribution to the Company, and wish them every success in their future endeavours. At the same time, we would like to extend a warm welcome to the new Directors who have joined the Board in 2024 – Non-Independent Non-Executive Director, Mr Yu Ling-Hsiao (Eric Yu), and our Independent Non-Executive Directors, Mr Raymond Lum Wai Meng and Ms Jenny Teng Mui Keow.

Finally, I would like to take a moment to thank all our shareholders for their trust and continued faith in our long-term vision. As we embark on this next phase of growth, we remain steadfast in our commitment to deliver enduring value and foster meaningful connections that empower businesses and communities.

Together, we look forward to building a brighter, smarter, and more connected future.

#### MR CHU FU-CHUAN (STEVE CHU) Chairman

### **GEOGRAPHICAL PRESENCE**

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#### NAME OF NERA TELECOMMUNICATIONS LTD SUBSIDIARY COMPANIES

- Nera Networks (S) Pte. Ltd., Singapore
- Nera (Malaysia) Sdn. Bhd., Malaysia
- Nera Infocom (M) Sdn. Bhd., Malaysia
- P.T. Nera Indonesia, Indonesia
- Nera (Thailand) Limited, Thailand
- Nera (Philippines), Inc., Philippines
- Nera Telecommunications (India) Pvt. Ltd., India
- Nera Telecommunications (Australia) Pty. Ltd.,
   Australia
- Nera Telecommunications (Vietnam) Co. Ltd., Vietnam
- Nera Telecommunications (Vietnam) Co. Ltd. Ho Chi Minh City Branch, Vietnam

#### SUBSIDIARIES OF NERA NETWORKS (S) PTE LTD

- Nera Telecommunications AS, Norway
- Nera Telecommunications AS, Libya Branch, Libya
- Nera Telecommunications Maroc S.A.R.L AU, Morocco
- Nera Telecommunications (Pakistan) (Private) Limited, Pakistan
- Nera Telecommunications FZ-LLC, United Arab Emirates
- Nera Telecommunications Holding (Thailand) Co. Ltd

### **CORPORATE INFORMATION**

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#### **BOARD OF DIRECTORS**

Mr Chu Fu-Chuan (Steve Chu)\* Mr Yu Ling-Hsiao (Eric Yu)\*\* Mr Basil Chan\*\*\* Mr Raymond Lum Wai Meng\*\*\*\* Ms Jenny Teng Mui Keow\*\*\*\*

\* Executive Chairman and Executive Director \*\* Non-Independent Non-Executive Director \*\*\* Lead Independent Non-Executive Director \*\*\*\* Independent Non-Executive Director

#### AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Basil Chan, Chairman Mr Yu Ling-Hsiao (Eric Yu) Mr Raymond Lum Wai Meng Ms Jenny Teng Mui Keow

#### **REMUNERATION COMMITTEE**

Mr Basil Chan, Chairman Mr Yu Ling-Hsiao (Eric Yu) Ms Jenny Teng Mui Keow

#### NOMINATING COMMITTEE

Mr Raymond Lum Wai Meng, Chairman Mr Basil Chan Mr Yu Ling-Hsiao (Eric Yu)

#### **COMPANY SECRETARY**

Ms Gn Jong Yuh Gwendolyn

#### **REGISTERED OFFICE**

19 Tai Seng Avenue #06-01 Singapore 534054 Tel: (65) 6233 2433 Fax: (65) 6233 2466

#### **REGISTRARS AND SHARE TRANSFER OFFICE**

Boardroom Corporate & Advisory Services Pte Ltd 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632 Tel: +65 6536 5355

#### **AUDITORS**

Ernst & Young LLP One Raffles Quay North Tower, Level 18 Singapore 048583 Partner-in-charge: Mr Ong Beng Lee, Ken (appointed with effect from 31 December 2020)

#### PRINCIPAL BANKERS

DBS Bank Ltd The Hong Kong and Shanghai Banking Corporation Limited RHB Bank Berhad Hong Leong Bank Berhad Citibank, N.A.

#### INVESTOR RELATIONS ADVISOR

Citigate Dewe Rogerson Singapore Pte Ltd (CDR) 158 Cecil Street #05-01 Singapore 069545 Tel: (65) 6534 5122 Email: NeraTel@cdrconsultancy.com

### BOARD OF DIRECTORS

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MR CHU FU-CHUAN (STEVE CHU)

Executive Chairman

since 8 April 2025 Executive Director

since 8 April 2025

MR YU LING-HSIAO (ERIC YU)

Non-Independent Non-Executive Director since 28 October 2024 Member, Audit and Risk Management Committee since 28 October 2024 Member, Nominating Committee since 28 October 2024 Member, Remuneration Committee since 8 April 2025

Mr Chu Fu-Chuan, also known as Mr Steve Chu, is the Chairman and CEO of Ennoconn Corp, a global leader in integrated AloT solution services, cloud management services, and edge computing technology, which is listed on the Taiwan Stock Exchange (TWSE).

A seasoned executive with extensive experience in the IoT technology and manufacturing sectors, Mr Chu is also a Board Director on the Management Board of Marketech International Corp (MIC) and serves as Chairman of CASwell Inc, GOLDTek Technology Co Ltd, AIS Cayman Technology Group, Dexatek Technology Ltd, PosLAB Technology Corp, Ennoconn International Investment Co Ltd, and Ennoconn Investment Holdings Co Ltd. He also serves as Deputy Chairman and Board Director of German-based Kontron AG, which is listed on the Frankfurt Stock Exchange.

Prior to joining Ennoconn, Mr Chu held various leadership roles in prominent technology firms, including Taiwanese multinational, Foxconn Technology Co Ltd and LIGITEK Electronics Co Ltd, where he honed his skills in product development, operational management, and corporate strategy.

Mr Chu holds a Bachelor's degree in Electronic Engineering from St John's and St Mary's Institute of Technology, Taiwan.

Mr Yu Ling-Hsiao, also known as Mr Eric Yu, is the Founder and President of Vecow Co Ltd, a leading embedded systems solutions provider. With over 20 years of experience in the technology and industrial sectors, he has a strong background in sales, corporate strategy and financial planning, and is well-versed in the EMEA and Russian markets.

In addition to serving as Board Director of Vecow Co Ltd, he also sits on the Boards of US-based Array Networks and American Industrial Systems Inc (AIS), a networking hardware company offering advanced security solutions, and a leading technology solutions provider respectively.

Prior to founding Vecow Co Ltd, he held various key appointments in technology companies, including at VIA Technologies Inc, a leading AI solutions provider, surveillance and security system integrator Everpark Co Ltd, embedded and automation solutions provider Advantech Co Ltd, and ADLINK Technology Inc, an edge computing and IoT solutions company.

He holds a Master's and Bachelor's Degree in Civil Engineering from National Taiwan University.

### BOARD OF DIRECTORS

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#### **MR BASIL CHAN**

Lead Independent Non-Executive Director since 28 October 2024 Independent Director since 18 March 2020 Chairman, Audit and Risk Management Committee since 18 March 2020 Member, Nominating Committee since 28 February 2022 Chairman, Remuneration Committee since 28 October 2024 Last re-elected on 26 April 2024

Mr Basil Chan is the Founder and Managing Director of MBE Corporate Advisory Pte Ltd. With more than 40 years of audit, financial and general management experience, he has held senior financial positions in both private and listed companies. Mr Chan serves on the Boards of two other publicly listed companies on the Singapore Stock Exchange. In addition to serving as Lead Independent Director on the Board of Nera Telecommunications Ltd, he is also the Non-Executive Non-Independent Chairman of Grand Banks Yachts Ltd and the Lead Independent Non-Executive Director of Broadway Industrial Group Ltd. He also previously sat on the Boards of AEM Holdings and Memories Group Ltd in the past three years.

Mr Chan was a Council Member and Board Director of the Singapore Institute of Directors (SID) from 2002 to 2013 and was formerly a member of SID's Audit Committee Chapter. He was also previously a member of the Corporate Governance Committee in 2001 that developed the Singapore Code, and served in the Audit and Assurance Standards and Corporate Governance Committees of the Institute of Singapore Chartered Accountants (ISCA). Prior to this, he served in the Accounting Standards Committee of ISCA's predecessor, the Institute of Certified Public Accountants of Singapore (ICPAS). He has since been re-appointed as member on the Audit and Assurance Standards Committee of ISCA.

HeholdsaBachelor of Science (Economics) Honours degree majoring in Business Administration from the University of Wales Institute of Science and Technology, United Kingdom and is a Fellow Member of the Institute of Chartered Accountants in England and Wales, as well as a Fellow Member of ISCA. He is a Fellow Member of the Singapore Institute of Directors and is a Senior Accredited Board Director.



MR RAYMOND LUM WAI MENG

Independent Non-Executive Director since 28 October 2024 Member, Audit and Risk Management Committee since 28 October 2024 Chairman, Nominating Committee since 28 October 2024



Prior to joining Rajah & Tann Technologies, he held various management roles in both private and publicly-listed companies, corporate finance advisory firms, and government-related organisations.

A Senior Member of the Institution of Engineers Singapore and a Senior Accredited Director at the Singapore Institute of Directors (SID), Mr Lum is also a Fellow Chartered Accountant at the Institute of Singapore Chartered Accountants (ISCA) and a Chartered Accountant with the Institute of Chartered Accountants in England and Wales.

He has a Master of Business Administration from Nanyang Technological University (Singapore), a Master of Science in Applied Finance from Singapore Management University, and a Bachelor of Engineering (Honours) from the National University of Singapore.



**MS JENNY TENG MUI KEOW** 

Independent Non-Executive Director since 28 October 2024 Member, Audit and Risk Management Committee since 28 October 2024 Member, Remuneration Committee since 28 October 2024

An expert in quality management and operational excellence, Ms Jenny Teng Mui Keow brings with her over 30 years of management experience in a leading Japanese multinational. She has held key leadership roles in supplier management, product safety, and quality systems, including a tenure as Director of the Singapore branch of Toshiba TEC from 2011 to 2020, where she was instrumental in driving strategic improvements in efficiency and quality.

Her significant board experience spans across multiple sectors, including terms as a council member for TUV Rheinland Singapore and Underwriters Laboratories, where she contributed her expertise in governance, compliance and corporate oversight. She is also a member of the Singapore Institute of Directors (SID), demonstrating her commitment to enhancing governance and leadership.

Six Sigma Master Black Belt Professional, she holds a Master of Science in Quality Management from Portsmouth University and has continued to invest in her professional development over the years, including completing an Executive Diploma and Certification in Directorship from the SID and the Singapore Management University (SID-SMU), the Listed Company Directors programme at SID, as well as the Directors' Financial Reporting Essentials course at SID and the Institute of Singapore Chartered Accountants (SID-ISCA), in addition to achieving certifications in ISO 9000 QMS and ISO 14000 EMS Lead Assessor.

### SENIOR MANAGEMENT

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**MS TAN GEOK LENG JACQUELINE** is the Chief Financial Officer. She is responsible for financial and reporting matters for the Group and supports the Group's investor relations. She has more than 20 years of experience in finance and accounting in various industries such as telecommunications and information technology, packaging, property development, ship repair and electronics manufacturing. Ms Tan holds an honours degree in Commerce from Flinders University, South Australia. She is also a member of CPA Australia. **MR YONG KEH SOON** is the Senior Vice President, Services and Digital Transformation. He is responsible for leading the Group's Services strategy and operations, including structuring internal delivery organisation, governance processes and skill development. With 25 years of experience in the IT industry, Mr Yong is also in charge of spearheading the Group's internal IT transformation initiatives. He has a Master's degree in Data Science from the University of Malaya and a Bachelor's degree in Computer Science from Universiti Sains Malaysia.

MR DON TAN JON-CHIANG is the Senior Vice President, Group Sales, and is responsible for leading and growing the Group's overall sales. With over 20 years of dynamic leadership experience, Mr Tan has a proven track record of driving business growth and market expansion across the APAC region. His professional journey reflects a deep commitment to spearheading innovative sales strategies to scale operations, fostering long-term client relationships, and leading high-performance teams, whilst delivering exceptional outcomes across cybersecurity, cloud, and networking domains. Prior to joining Nera, he held senior leadership roles in leading technology companies including Appdome Inc, Lookout Inc, Avast Software, Pulse Secure LLC, BlueCat Networks and Systex Corporation. Mr Tan holds a Bachelor of Science degree in Computer Science from the University of Portsmouth.

**MR YEO CHOON SHENG** is the Vice President, Group Solutions and Head of Presales. He is responsible for growing the Group's technology and solutions business, and leads the technical aspects of the sales process. He is a seasoned solutions leader, with a wealth of knowledge in technology and solutions, including converged infrastructure setup, built from over 30 years in the IT industry. Prior to joining Nera, Mr Yeo served as Head of Solutions in several IT MNCs including Logicalis Asia, Sunway Digital and 3D Networks. He has a degree in IT, Data Communications, from Western Sydney University.



### BUSINESS LINES

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A member of the Ennoconn Technology Group since 2024, NeraTel is set to revolutionise the integrated technology landscape by harnessing Ennoconn's innovative ESaaS ("Ennoconn Solution as a Service") model, to bring together the best of our Information Technology ("IT") expertise and Operational Technology ("OT") capabilities, to deliver end-to-end solutions that address growing demand for smarter, more efficient and interconnected cities.

Our strong geographical footprint across Asia Pacific ("APAC") and Europe, the Middle East, and Africa ("EMEA") enables us to deliver tailored, locally relevant solutions, while maintaining the flexibility and scalability required for large, complex deployments.

Strategically aligned with market demand, we combine cutting-edge technologies with our deep understanding of diverse markets and regulatory landscapes to architect high-impact solutions that resonate with customers, as we empower their businesses and communities across our areas of operation.

Our comprehensive portfolio of offerings serves a diverse range of industries, including education, financial services, government, green building, healthcare, logistics, media, service providers, transportation, and utilities. The following business lines highlight our core areas of expertise:

#### 1. Artificial Intelligence of Things ("AloT")

AloT is at the heart of our vision for the future. By integrating Artificial Intelligence ("Al") with Internet of Things ("IoT") technology, we enable the creation of connected, intelligent ecosystems. Our key AloT solutions include:

- Connected Buildings: Delivering smarter, energy-efficient building management systems that enhance operational performance and user experience.
- Al Concierge: Providing automated, Al-driven customer interaction systems to improve service delivery across multiple sectors.
- Battery Energy Storage Systems ("BESS") & Battery Management Systems ("BMS"): Offering sustainable energy solutions that optimise power consumption and storage for buildings and industrial applications.
- **Digital Signage:** Implementing dynamic digital signage solutions for enhanced communication, visibility, and engagement in public spaces.

- **Digital Twin:** Creating virtual replicas of physical assets and environments to improve monitoring, management and decision-making.
- Lighting Control: Offering smart lighting systems that reduce energy consumption while enhancing environmental quality and safety.
- Smart Retail: Enabling retailers to harness technology to create personalised, immersive customer experiences that drive sales and operational efficiency.
- Smart Surveillance: Leveraging advanced Al-powered security solutions to enhance safety and operational awareness across cities and facilities.

#### 2. Cloud & Hybrid Cloud Solutions

Our cloud offerings are designed to deliver scalable, secure, and flexible infrastructure solutions that help businesses accelerate their digital transformation. We provide both private and hybrid cloud strategies, enabling seamless integration with on-premise systems while driving cost savings, agility, and innovation. By partnering with global cloud leaders, we offer best-in-class solutions tailored to our clients' specific needs.

#### 3. Connectivity

NeraTel's comprehensive connectivity solutions ensure businesses stay connected and resilient, regardless of geographical or technical barriers. Our connectivity expertise includes:

- Microwave Transmission Networks: Providing high-capacity, long-range communication solutions that enable robust, reliable networks for remote and urban areas alike.
- Optical Networks: Delivering high-speed, high-bandwidth fibre-optic solutions for mission-critical applications.
- Wired & Wireless Networking: Designing and deploying wired and wireless networks to ensure seamless connectivity across enterprises and urban developments.
- **Carrier Networking:** Offering telecom-grade solutions to support the growth of service providers, enabling scalable and resilient infrastructure.

### **BUSINESS LINES**

#### 4. Cybersecurity

As the digital world evolves, so too do the threats that accompany it. NeraTel offers comprehensive cybersecurity services to protect our clients' assets, data, and networks. Our solutions range from proactive risk assessments and penetration testing to the implementation of advanced security systems that safeguard against emerging threats, ensuring compliance with global regulatory standards.

#### 5. Services

NeraTel's service offerings are designed to provide continuous support and maintenance, ensuring that our clients' systems run as smoothly and efficiently as possible. Our comprehensive services include:

- Professional Services: Providing expert consulting, design, and implementation of complex technology solutions to meet specific business needs.
- Maintenance Services: Offering ongoing support and maintenance for critical infrastructure, ensuring system reliability and minimising downtime.
- Managed Services: Delivering fully managed IT and OT services that ensure optimal performance, monitoring, and management of our clients' technology infrastructure and environments, enabling them to focus on their core business operations.

Through the strategic combination of our deep regional expertise, and joint IT and OT capabilities, we are uniquely positioned to offer compelling integrated technology solutions that meet the varied needs of our customers. This is reflected in our business lines, which have been carefully designed to address the complexities of the modern world while delivering innovation, efficiency and value to our clients.

As we continue to expand and evolve, we remain committed to leveraging the power of technology to generate sustainable solutions for a more connected, smarter future.



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### FINANCIAL HIGHLIGHTS

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#### **BOARD STATEMENT**

The Board of Directors (the "Board") of Nera Telecommunications Ltd ("NeraTel" or the "Company") presents this Sustainability Report (this "Report") for the financial year ("FY") ended 31 December 2024 ("FY2024" or "Reporting Period"). This Report outlines the management of sustainability factors under the sustainability pillars of economic, environmental, social and governance (collectively as "Sustainability Factors") by NeraTel and its subsidiaries (the "Group" or "We").

NeraTel's sustainability agenda is led by the Board, which oversees that the Group remains steadfast in its commitment to be a responsible and sustainable organisation, as guided by the Group's vision and mission:



We believe that the long-term success and interest of the Group lies in its ability to create sustainable, enduring value for the Group's key stakeholders including customers, employees, regulators, shareholders, vendors and the broader community. Business sustainability and value creation across the short, medium and long-term are considered in the Board's review of the Group's overall business strategies, including strategies addressing Sustainability Factors that are material to the Group. The Board adopts a balanced approach to the Group's pursuit of growth and profit while strategically addressing factors underlying business sustainability.

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In addition, the Group continues to engage with stakeholders to communicate key information and better understand their expectations and needs. We believe that such engagements allow the Group to address expectation gaps it may have with stakeholders including shareholders and investors, employees, customers, and business partners.

Overall, our Sustainability Factors remained largely unchanged compared to the previous year. We have also identified corresponding Sustainable Development Goals ("SDGs") to which we believe the Group can contribute.

#### SUSTAINABILITY PERFORMANCE HIGHLIGHTS

Sustainability Pillar	Sustainability Metric	Sus	tainability Performa	nce
		FY2024	FY2023	FY2022
Economic	Market standards adopted	Relevant market standards <sup>1</sup> have been adopted in our Operations	Relevant market standards <sup>1</sup> have been adopted in our Operations	Relevant market standards <sup>1</sup> have been adopted in our Operations
	Economic value generated <sup>2</sup>	\$98.7 million	\$147.9 million	\$133.3 million
	Operating costs <sup>3</sup>	\$81.0 million	\$117.1 million	\$111.5 million
	Employee benefit expenses	\$18.8 million	\$21.2 million	\$19.8 million
	Taxes to governments	\$0.4 million	\$0.9 million	\$1.3 million
	Payments to providers of capital <sup>4</sup>	\$2.4 million	\$1.2 million	\$0.9 million
Governance	Number of fraud incidents <sup>5</sup>	-	-	-
Environmental	Water consumption intensity <sup>6</sup> (m <sup>3</sup> per employee)	6.3	4.8	4.9
	Aggregated Scope 1 and 2 Greenhouse gas ("GHG") emissions (tonnes CO <sub>2</sub> e) <sup>7</sup>	357.6	460.6	632
	Aggregated Scope 1 and 2 GHG emissions intensity (tonnes CO <sub>2</sub> e per employee) <sup>8</sup>	1.2	1.4	2.2
Social	Number of workplace fatalities	-	-	-
	Number of high-consequence work-related injuries <sup>9</sup>	-	-	-
	Average training hours per employee	11.5	7.8	4.8
	Turnover rate	43%	29%	31%
	Number of reported incidents of unlawful discrimination against employees	-	-	-

1 The market standards adopted or certifications attained by our operations in Singapore to maintain customer experience include ISO 9001:2015 and Cyber Trust.

2 Economic value generated includes revenue, other income and interest income net of government grant.

3 Operating costs comprise cost of sales, distribution expenses, administrative expenses, other expenses, net of impairment losses, loss on foreign exchange rates, property, plant and equipment written off, depreciation and amortisation, loss on deconsolidation and employee-related costs.

4 Payments to providers of capital include payments made to providers of loans and dividends paid to shareholders (if any).

5 A fraud incident is defined as one that involves fraud or dishonesty involving an amount not less than \$100,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by its officers or employees of the company.

employees of the company. 6 Water consumption intensity calculation only considered full-time permanent employees of the operations in Singapore, Malaysia, Philippines and Indonesia.

7 Scope 1 GHG emissions occur from sources that are owned or controlled by the reporting entity. Scope 1 GHG emissions are calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Scope 2 GHG emissions arise from the generation of purchased electricity consumed by the reporting entity. GHG emissions from electricity purchased by the Group (Scope 2) are calculated based on the grid emission factors published by the relevant local authorities.

8 GHG emissions intensity calculation covered only full-time permanent employees of the operations in Singapore, Malaysia, Philippines, and Indonesia.

9 High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

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#### **REPORTING SCOPE**

This Report discloses the sustainability commitments, strategies, progress and performance of the Group for the period from 1 January 2024 to 31 December 2024. This Report covers the Group's operations in Singapore, Malaysia, Philippines, and Indonesia (collectively referred to as "Operations") which contributed to approximately 84% (FY2023: 83%) of the Group's FY2024 revenue.

#### **REPORTING FRAMEWORK**

This Report has been prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST" or the "Exchange") Listing Rules. This Report has also been prepared with reference to the GRI Standards as it provides an extensive framework that is widely accepted as a global standard for sustainability reporting. The GRI Content Index can be found in the Appendix of this Report.

We have also considered and identified areas where we can contribute to the SDGs of the 2030 Agenda for Sustainability Development, which was adopted by all United Nations Member States in 2015 ("UN Sustainability Agenda"). Aligning the Group's Sustainability Factors with the selected SDGs allows us to also consider the Sustainability Factors in question from a broader, global perspective and assess the positive and negative impacts of our business.

Our climate-related disclosures are produced based on the 11 recommendations of TCFD. Following the publication of the International Sustainability Standards Board ("ISSB") Standards – International Financial Reporting Standards ("IFRS") S1 and IFRS S2, we conducted a gap analysis against our existing Task Force on Climate-related Financial Disclosures ("TCFD") reporting and are in the process of aligning our climate-related disclosures to the ISSB Standards. We are guided by the phased approach recommended by the Singapore Exchange Regulation in aligning our reporting of climate-related disclosures in accordance with ISSB Standards.

#### **VERIFICATION AND REVIEW**

We have relied on internal data monitoring and verification to ensure accuracy of this Report. We will work towards internal review and/or external assurance for our future sustainability reports.

#### **FEEDBACK**

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback here: <u>corporate@nera.net</u>.

#### **GOVERNANCE AND REPORTING OVER SUSTAINABILITY**

The Board is ultimately responsible for the oversight of the Group's sustainability matters. Given the changes in composition of the Board, four (4) new Directors have been appointed. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720 (7) of SGX-ST, we confirm that two (2) of our Directors have attended one of the sustainability training courses approved by Singapore Exchange Regulation ("SGX RegCo"). The remaining three (3) Directors, who have no prior experience acting as a director of an issuer listed on the Exchange ("First-time Directors"), will attend relevant training on sustainability matters as prescribed by the SGX RegCo.

The Board is primarily supported by an executive level Sustainability Committee ("SC"), led by the Chief Executive Officer ("CEO") by virtue of delegation. Besides the SC, the Board is also supported by the Audit and Risk Management Committee ("ARMC") on specific sustainability matters under their respective terms of reference.

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Our sustainability governance structure and the responsibilities of component parties are detailed as follows:



#### Terms of reference of component parties

Component Party	Members	Terms of Reference
Board	Board members	• Determine material Sustainability Factors of the Group
		<ul> <li>Review and approve sustainability strategies, policies and targets (including materiality assessment process and outcome)</li> </ul>
		<ul> <li>Monitor implementation of sustainability strategies, policies and performance against targets</li> </ul>
		• Oversee the identification and evaluation of climate-related risks and opportunities
		<ul> <li>Ensure the integration of sustainability and climate-related risks and opportunities within the Group's enterprise risk management ("ERM") framework</li> </ul>
		Review and approve sustainability reports
ARMC	ARMC members	<ul> <li>Review the adequacy and effectiveness of the Group's internal controls and risk management systems</li> </ul>
		<ul> <li>Oversee the conduct of assurance activities pertaining to the Group's sustainability reporting processes</li> </ul>

Component Party	Members		Terms of Reference	
SC	Senior management executives of the Group who provide the direction for	•	Develop sustainability strategies and policies	
	reporting	•	Ensure that the implementation of sustainability strategies is aligned across business segments	
		•	Evaluate overall sustainability risks and opportunities, with a focus on climate-related risks and opportunities	
		•	Perform materiality assessment	
			•	Monitor sustainability activities and performance against targets
			•	Align the Group's practices with the organisation-wide sustainability agenda and strategies
		•	Consolidate sustainability metrics to track sustainability impact on a group basis and for reporting purposes	
		•	Prepare sustainability reports	
Business Units/ Corporate Functions	Representatives from business units or corporate functions designated to support the work of the SC	•	Align practices at the operational level with the Group's agenda and sustainability strategies	
		•	Collect and compile sustainability metrics to track sustainability impact and for reporting purposes	

As we are still refining our sustainability related metric measuring, tracking and target setting mechanism, we will endeavour to link the key executives' remuneration to sustainability performance when the mechanism is more mature.

#### STAKEHOLDER ENGAGEMENT

We aim to create long-term sustainable shared values with our stakeholders. It is hence important for the Group to understand and achieve alignment of value and interest with our key stakeholders, as much as possible, to develop mutual, sustainable stakeholder relationships that are aligned with our vision and mission.

The Group's stakeholder engagement strategies take into consideration the various stakeholder groups and the nature of their interest or influence in the Group or the business, assessed via a stakeholder mapping process. Engagement channels are customised for each stakeholder group, allowing NeraTel to engage with them effectively and efficiently, and to suit the engagement purpose. Through the channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

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The table below sets out how we engage our key stakeholders:

S/N	KEY STAKEHOLDER GROUP	ENGAGEMENT CHANNEL	FREQUENCY OF ENGAGEMENT	KEY CONCERNS RAISED BY STAKEHOLDER
1	Communities	Community campaigns	Ongoing	Social inclusion
2	Customers	• Meetings and visits	Regularly	Customer service
		<ul><li>Email communications</li><li>Phone calls</li></ul>		<ul> <li>Diversity, quality and safety of products</li> </ul>
		Teleconferences		Market presence
3	Employees	<ul> <li>Staff evaluation sessions</li> <li>Physical/virtual town hall meetings</li> </ul>	Annually Quarterly	<ul> <li>Career development and training opportunities</li> </ul>
		mootingo		• Job security
				Remuneration
				<ul> <li>Workplace health and safety</li> </ul>
4	Regulators	• •		Corporate governance
		by key regulatory bodies such as Singapore Stock Exchange		<ul> <li>Regulatory development towards environmental goals</li> </ul>
				<ul> <li>Workplace health and safety</li> </ul>
5	Shareholders	Annual general meeting	Annually	Corporate governance
		Annual reports		• Dividend payment
		<ul> <li>Results announcement on SGXNET</li> </ul>	Half-yearly	<ul> <li>Sustainable business performance</li> </ul>
		Company website	Regularly	• Market valuation
		Company announcement	When needed	
6	Vendors	<ul><li>Email communications</li><li>Meetings and visits</li></ul>	Regularly	Ability to distribute     products
		<ul> <li>Virtual events such as vendor conferences</li> </ul>		<ul> <li>Maintain and expand brand presence</li> </ul>
		Conferences		Maximise end     customers' satisfaction

#### MATERIALITY ASSESSMENT

We determine our material Sustainability Factors via an annual materiality assessment process. Based on the Group's business value chain, Sustainability Factors of economic, environmental, social, and governance nature are identified and prioritised. The factors which have greater significance to the business and/or the stakeholders are determined as being material to the Group's value chain. Our value chain is detailed as follows:

#### Value Chain

NeraTel's business value chain can be summarised into 3 broad segments - suppliers, operations, and customers.



The materiality assessment considers the likelihood of the occurrence of actual and potential negative and positive impacts ("Likelihood of Impact") and the significance of our impacts on the economy, environment, people and their human rights, which include our contribution (negative or positive) to sustainable development ("Significance of Impact").



In FY2024, a materiality assessment was performed by the SC to update the material Sustainability Factors and this was followed by a stakeholder engagement exercise<sup>10</sup> to understand the concerns and expectations of our key stakeholders. Through the materiality assessment, factors with significant impacts on the economy, environment, people and their human rights were updated. In this Report, we reported our progress in managing these factors and set related targets to improve our sustainability performance. The SC oversaw the review process and the outcome, namely the materiality matrix, which was then tabled to the Board. The materiality matrix remained similar to that adopted in the previous year.

Our updated materiality matrix is illustrated as follows:



S/N	SUSTAINABILITY FACTOR	KEY STAKEHOLDER	SDG	OUR EFFORT
ECONO	OMIC			
1	Total customer satisfaction	<ul><li>Customers</li><li>Vendors</li></ul>	8 DECENT WORK AND ECONOMIC GROWTH	Prioritise customer satisfaction by offering high-quality products and services, and build loyalty by proactively addressing customer feedback
2	Sustainable business performance	<ul> <li>Employees</li> <li>Regulators</li> <li>Shareholders</li> <li>Vendors</li> </ul>	8 ECONOMIC GROWTH	Contribute to economic growth by creating long-term value for stakeholders

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<sup>10</sup> The Company distributed an online survey to both its internal and external stakeholders of customers and employees to gather perspectives on the most important sustainability factors for the business to prioritise.

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S/N	SUSTAINABILITY FACTOR	KEY STAKEHOLDER	SDG	OUR EFFORT
GOVER	RNANCE			
3	Corporate governance and business ethics	<ul><li> Regulators</li><li> Shareholders</li></ul>	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Implement internal controls and risk management to uphold business ethical practices
ENVIR	ONMENTAL			
4	Energy, water conservation and GHG emissions reduction	<ul><li>Communities</li><li>Shareholders</li></ul>	6 CLEAN WATER AND SANITATION	Implement checks and measures to reduce water wastage, which in turn help us to work towards achieving sustainable management and efficient use of natural resources
			13 CLIMATE	Implement measures to reduce energy consumption, improve efficiency, lower GHG emissions and reduce costs
5	Responsible waste management	<ul><li>Communities</li><li>Regulators</li><li>Shareholders</li></ul>	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Implement proper disposal of e-waste that requires special handling
SOCIA	L			
6	Equality and diversity in the workplace	• Employees	10 REDUCED INEQUALITIES	Treat all employees with respect and dignity and provide fair treatment for all
7	Occupational health and safety	<ul><li>Employees</li><li>Regulators</li></ul>	3 GOOD HEALTH AND WELL-BEING	Adopt safety practices and maintain safety committees to reduce injuries and absenteeism
8	Talent development and retention	• Employees	4 QUALITY EDUCATION	Provide training opportunities to help employees expand their skills along with various benefits to support their well-being
9	Ongoing community engagement	Communities	11 SUSTAINABLE CITIES	Serve our local communities to promote social inclusion and sustainability.

#### Managing Material Sustainability Factors and Tracking Performance

Strategies or initiatives to address the Group's material Sustainability Factors are developed, considering the Group's sustainability-related policies where applicable. We have a sustainability reporting policy that guides the Group's sustainability reporting processes, including the reporting structure, materiality assessment and management processes.

Targets for managing our material Sustainability Factors are set for the relevant business units and corporate functions by the SC. Relevant data collection processes are put in place to collect data and monitor metrics which are used to measure how well the material Sustainability Factors are managed. Progress and targets are reported and deliberated at the SC's meetings.

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#### MATERIAL SUSTAINABILITY FACTORS

#### **Total Customer Satisfaction**

#### Commitment

Our clientele comprises service providers, enterprises, government organisations, transportation, and utilities companies that require Information Technology ("IT") and Operational Technology ("OT") services and solutions. Guided by our mission, we are committed to delivering best-in-class solutions that elevate business value for our customers, who play an important role in our business. We also focus on maintaining and continuously improving our products and solutions.

#### Approach



#### Maintain presence and proximity to the customers we serve

We maintain a market presence in 13 countries across Asia Pacific ("APAC"), and Europe, the Middle East and Africa ("EMEA"). Our goal is to gradually expand our presence in the regions where we operate while strengthening our visibility and market share in Southeast Asia, where our home base, Singapore, is located.

#### Nurture a team of highly trained and experienced employees

As a solutions provider, it is important for us to maintain a competent and empowered team to serve our customers in the planning, designing, installation, commissioning, and testing of solutions. As such, we ensure that employees across the various functions including sales, post-sales, technical and support teams possess the requisite product knowledge and technical skills to do their jobs well. All our employees are crucial enablers for us to build long-term, reliable business relationships with our customers.

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Employees are required to attend professional and personal development training regularly, ensuring they not only remain at the forefront of global technological trends and advancements, but also upskill so they continue to serve our customers to the best of their abilities.

Guided by our strategy, we continue to build a core regional team of qualified and experienced professional engineering staff that supports our local operations in the development and delivery of complex end-to-end turnkey solutions to our customers.

Further information on the Group's efforts on employee development and retention are disclosed in pages 30 to 31 of this Report.

#### Cultivate a long-term and sustainable relationship with our vendors

Our solutions are built on hardware and software sourced from various reputable international vendors, including distributors and principals with whom we maintain long-term sustainable relationships. Selecting and collaborating with capable vendors is not only important for project delivery but also crucial for our long-term strategic growth.

We select vendors who are able to meet our requirements, such as functionality, features, quality, and safety, with a preference towards vendors with good sustainability practices. Before their appointment, due diligence and assessment processes which include track record, product and service quality, are conducted. Upon acceptance, vendors are also evaluated regularly to ensure that they are able to continue to support us in delivering value to customers and maintaining good sustainability practices.

We also have strategic vendors with whom we collaborate to develop long-term, mutually supportive relationships through which we are able to further enhance our product and technological capabilities. It allows us to gain access to a wider range of hardware and software and work together with these vendors to develop and innovate solutions for our customers.

In addition, our volume purchases allow us to secure competitive prices through discounts, rebates or pricing protection support which we can then leverage to provide our customers with value-added solutions.

#### Better solutions through continuous feedback and maintaining a knowledge base

Faced with rapid technological development around the world, as well as the evolution of technological adoption that we have seen in the past years, it is paramount for us to keep up and develop new and better solutions to meet the needs and requirements of our customers.

In this regard, we have a centralised knowledge database to retain the cumulative and valuable knowledge gained from past projects such as designs, marketing strategies, used case and lessons learned. The knowledge database supports the development of our business and employees in various ways. Beside serving as a database for us to understand our customers and develop better solutions and products for them, it also serves as a source of knowledge to facilitate employee training, customer support, and employee onboarding. The knowledge database is stored in a secure location and accessible only by authorised personnel.

We also continue to collect feedback from customers via the established channels and touchpoints, such as our sales teams and annual customer satisfaction survey, to gather insights into the evolving needs of customers, drive product and service improvements, enhance operational improvements, and support the development of better business strategies. Customer feedback and insights gathered are discussed during regular management meetings.

#### Adopt market standards for the quality and safety of our products

Our operations in Singapore adhere to international standards for quality management, occupational safety and health, and cybersecurity. These standards demonstrates our ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.

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#### Performance

In recognition of our commitment to customer satisfaction, our operations in Singapore have acquired the following certifications under various recognised quality and sustainability standards:

Quality/Sustainability Standard	Description of Certification/Standard
ISO 9001 Quality Management System	An internationally recognised standard that specifies the requirements for a quality management system that can demonstrate the ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.
Cyber Trust	The Cyber Trust certification, awarded by the Cyber Security Agency of Singapore, demonstrates our commitment to maintaining high standards in cybersecurity and digital safety.

#### Sustainable Business Performance

#### Commitment

We believe in the creation of long-term economic value and consistent economic performance for the Group. We are committed to providing value to various stakeholders in ways that are relevant and meaningful.

#### Approach

We strive to generate and distribute economic value by executing our business strategy, which includes staying abreast of market trends, maintaining a healthy balance sheet and strong cash flow, mitigating relevant business risks identified.

#### Performance

In line with the commitment, economic value created in FY2O24 is distributed to our relevant stakeholders as follows:



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Refer to the financial statements in the Annual Report 2024 for the Group's financial performance and financial risk management disclosure on our efforts and progress in maintaining financial sustainability.

#### **Corporate Governance and Business Ethics**

#### Commitment

The Board is committed to fostering a culture of corporate compliance, ethical behaviour and good corporate governance to achieve greater transparency and to protect the interests of shareholders.

#### Approach

The Group's management and business are directed through a robust corporate governance structure that is established with reference to the Code of Corporate Governance 2018. Overall, the Board provides entrepreneurial leadership, sets strategic objectives for the Group, and monitors and reviews the Group's overall progress against the objectives. Meanwhile, the corporate governance structure supports the Board's delivery of its fiduciary duties to act in the best interests of NeraTel.

The specific roles and responsibilities of the Board, its Committees, the CEO, and the senior management are delineated in relevant governance documents such as the Terms of Reference of the Board Committees issued by the Board of Directors.

The Board also oversees a framework of risk management and internal controls that enables a systematic approach towards ERM. The ERM framework sets out the processes through which the Group identifies, assesses, prioritises, and manages risks, including sustainability and climate-related risks. The ARMC assists the Board in assessing the adequacy and effectiveness of the risk management and internal control system.

Further details of our corporate governance structure and the risk management and internal control system are available in the Corporate Governance Report of the Annual Report.

#### Anti-corruption

An employee handbook is in place to provide guidance to employees on the Group's work culture and acceptable conduct at work.

An anti-bribery and corruption policy is in place and all employees are required to receive training on the policy and procedures.

We are committed to carrying out our business with integrity by avoiding corruption in any form, including bribery, and complying with the relevant local laws and regulations of the countries in which we operate. Our stance is stated and communicated to employees through the employee handbook.

A code of conduct, which includes a section on anti-bribery and corruption, is available on our website to communicate our zero-tolerance stance on bribery and corruption to all external parties.

#### Whistle-blowing

We have a whistle-blowing policy that serves as a mechanism for employees and the public to report concerns about plausible improprieties in matters of financial reporting, dishonest practices, suspected fraud, bribery or corruption.

The whistle-blowing mechanism provides a reporting channel to the ARMC which comprises non-executive members who are majority independent, providing objectivity and impartiality to the complaint-handling process. The whistle-blowing policy provides confidentiality to the report handling process and protects whistleblowers from reprisals or victimisation for whistle-blowing in good faith.

#### Performance

We are pleased to report that there were no fraud incidents reported during the financial year under review (FY2023: zero; FY2022: zero).

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#### Energy, Water Conservation and GHG Emissions Reduction

#### Commitment

We are committed to using natural resources and energy responsibly. This includes using energy and water resources efficiently while reducing our carbon footprint.

#### Approach

Our energy and water consumption are largely attributable to:

- the use of electricity mainly at our offices, including for lighting, office equipment, cooling and ventilation;
- · the use of diesel and petrol mainly for our company vehicles; and
- the use of water mainly for cleaning purposes, restrooms and pantries at our offices.

#### Energy conservation and GHG emissions reduction

We aim to reduce our environmental footprints and at the same time, establish operational resilience that delivers long-term and sustainable value to our business. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

To achieve our decarbonisation goals, we have set up a 7-step continuous circular process for our decarbonisation efforts as follows:



#### Decarbonisation approach

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We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track other categories of our scope 3 GHG emissions, where relevant and practicable. We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

We measure our GHG emissions in alignment with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) and adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach has been selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We have assessed that we have operational control over all reporting entities covered in this Report.

Our climate change transition plan steers us on our decarbonisation journey. Under this plan, we are committed to reduce our aggregated absolute Scope 1 and 2 GHG emissions by 30% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2023 as our baseline. Our climate change transition plan is focused on two (2) strategic levers of reduce and neutralise as follows:



Details of our strategic levers are as follows:

Lever	Reduce	Neutralise
Description	Reduce absolute emissions within our operations	Neutralise unavoidable residual emissions
Focus Area	<ul> <li>Energy efficiency</li> <li>Lighting</li> <li>Motor vehicles</li> <li>Behavioural changes</li> <li>Clean energy</li> </ul>	<ul> <li>Renewable energy certificates ("REC")</li> <li>Carbon credits</li> </ul>

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We track and review spending on energy consumption regularly to control usage and take corrective actions when unusual consumption patterns are observed. We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

Lever	Focus Area	Action Plan
Reduce	Energy efficiency – Lighting	We use energy-efficient lighting, where possible.
	Energy efficiency – Motor vehicles	• We maintain a systematic maintenance programme for vehicles to improve fuel efficiency.
		• We launched an initiative to phase out internal combustion engine vehicles in our Singapore operations. We aim to ultimately transition fully to electric vehicles for our Singapore operations, followed by operations in other countries, subject to feasibility in each respective country.
	Behavioural changes	We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use, enabling power saving modes and optimising operating temperatures.
	Clean energy	We constantly explore opportunities to source for clean and/or renewable energy where we operate in, where possible.
Neutralise	<ul><li>REC</li><li>Carbon credits</li></ul>	We plan to explore the use of REC and carbon credits to offset unavoidable residual emissions when the relevant markets mature.

#### Water conservation

We continue to carry out efforts to conserve water and energy and they include:

- avoiding keeping air conditioners on unnecessarily;
- · switching on the chiller an hour later and turning it off half an hour earlier on working days;
- · switching off office lights in the common areas half an hour earlier on working days and during lunch hours;
- putting up signages to remind staff to switch off lights when not in use; and
- retrofitting water-efficient taps to optimise water usage.

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#### Performance

Key statistics on energy consumption, water consumption and GHG emissions during the Reporting Period are as follows:

Performance Indicator	Unit of Measurement	FY2024	FY2023	FY2022
Energy consumption				
Fossil-fuel-based energy (petrol or diesel)	GJ	191	250	Not available
Electricity consumption	GJ	2,566	3,044	4,995
Total energy consumption	GJ	2,757	3,294	4,995
Energy intensity <sup>11 12</sup>	GJ per employee	9.4	10.1	17.1
Water consumption				
Water consumption <sup>13</sup>	m <sup>3</sup>	1,865	1,555	1,418
Water consumption intensity <sup>14</sup>	m <sup>3</sup> per employee	6.3	4.8	4.9
GHG emissions				
Scope 1 – Direct GHG emissions	tonnes CO <sub>2</sub> e	13.8	17.2	Not available
Scope 2 – Indirect GHG emissions	tonnes CO <sub>2</sub> e	343.8	443.4	632
Aggregated Scope 1 and 2 GHG emissions	tonnes CO <sub>2</sub> e	357.6	460.6	632
Aggregated Scope 1 and 2 GHG emissions intensity	tonnes CO <sub>2</sub> e per employee	1.2	1.4	2.2

The decrease in GHG emissions intensity is mainly due to the relocation of our Malaysia office to a more efficient office space with reduced electricity usage, which resulted in a more than proportional decrease in energy consumption compared to the number of employees. The increase in water consumption intensity is mainly due to a greater shift from a hybrid work arrangement to in-office work.

During the Reporting Period, we started to track our selected Scope 3 GHG emissions as follows:

Category	Coverage	Unit of Measurement	FY2024	FY2O23	FY2022
Category 1: Purchased goods and services	Tap water <sup>15</sup>	tonnes CO <sub>2</sub> e	0.9	Not available	Not available

#### **Responsible Waste Management**

#### Commitment

The main type of waste generated from our Operations is electronic waste ("e-waste"). E-waste poses pollution risks to the environment if not disposed properly due to the presence of heavy metals, such as lead, mercury, and cadmium. Such heavy metals pose possible health hazards to animals, humans, and the food chain. On the other hand, e-waste may also have recoverable precious metals such as gold, silver, and platinum which are not only expensive but environmentally costly to produce. Accordingly, we are committed to responsibly managing our e-waste by ensuring proper disposal, minimising its environmental impact and increasing recyclability.

15 Scope 3 GHG emissions were calculated using Defra emission factors and emission factors published by relevant authorities.

<sup>11</sup> Energy intensity for FY2022 was based on electricity used only. Energy intensity includes energy derived from fossil-based fuels consumed in vehicles owned by the Group

<sup>12</sup> Energy intensity only considered full-time permanent employees of the Operations.

<sup>13</sup> Water consumption does not include Indonesia operations as it is included in office rental and there are no separate water meters.

<sup>14</sup> Water consumption intensity only considered full-time permanent employees of the Operations.

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#### Approach

We handle our e-waste in accordance with local laws and regulations which generally require e-waste to be handled by licensed contractors.

#### Performance

During the Reporting Period, there were zero incidents (FY2O23: zero; FY2O22: zero) of non-compliance with any applicable waste disposal-related environmental laws and regulations that resulted in significant fines or non-monetary sanctions.

#### Equality and Diversity in the Workplace

#### Commitment

We strive to build and provide a conducive work environment for employees, maintaining good staff morale and a sustainable workforce that is able to support the Group's value creation in the long-term. In this regard, we are committed to maintaining a respectful relationship with and among our employees.

#### Approach

We firmly uphold our non-discrimination policy where we do not discriminate against anyone based on gender, age, ethnicity, religion, nationality, political views, sexual orientation, or social or cultural background. All employment activities and decisions, such as recruitment, promotion, compensation, appraisals, and disciplinary actions, are based on employees' quality and merit, and without discrimination. The policy is reflected in our employee handbook which is communicated to our employees.

#### Performance

As at 31 December 2024, we have a workforce of 294 employees, based on the headcount of permanent full-time employees, in our Operations (31 December 2023: 326; 31 December 2022: 292). We are pleased to disclose that there were no reported cases of unlawful discrimination against employees during the Reporting Period (FY2023: zero; FY2022: zero).

Due to the nature of the industry, we are seeing a higher proportion of male employees in our workforce in general. On the other hand, the age-group distribution among our employees is also reflective of the industry's general workforce situation.

At the Board level, 20% of our Directors is female (31 December 2023: 20%; 31 December 2022: 20%).

Gender Diversity		ł	FY2024		FY2023			FY2022	
Percentage		Male	Fen	nale	Male	Female	М	ale	Female
Board		80%	20	0%	80%	20%	8	3%	17%
Workforce overall		67%	33	3%	67%	33%	6	8%	32%
Age Diversity		FY2024	Y2O24		FY2023			FY2022	
Percentage	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Workforce overall	16%	72%	12%	14%	72%	14%	15%	75%	10%

Key statistics of the workforce breakdown of our Operations are as follows:

#### **Occupational Health and Safety**

#### Commitment

Generally, the workplace safety and health risks for our businesses arise largely from the use of and contact with electrical equipment and devices, ergonomic hazards in the office-based work environment, and physical safety hazards at customers' sites, amongst others. Accordingly, we are committed to providing a safe and healthy work environment for our employees and will take the necessary actions to achieve this.

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#### Approach

The Group maintain a set of safety rules and regulations for our operations, which are communicated to all new joiners during their orientation. In addition, we also have safety committees to ensure workplace safety via safety assessments, safety inspections, and regular safety reporting. Where hazards or risk areas are identified, relevant controls will be established and imposed to mitigate such risks.

There are processes to report, record, and analyse any accident that has occurred so that we are able to perform a root cause analysis and establish preventive measures. Lessons learned from incidents or accidents are communicated to the employees to raise awareness and prevent the recurrence of similar incidents.

Other than that, we also conduct safety and health training to ensure employees have the relevant knowledge to protect their own health and safety. In addition, we also promote employees' mental, emotional, and physical wellbeing through the following initiatives:

- · We periodically circulate health and safety announcements to provide guidelines for employees;
- We continued with our Family Fridays initiative whereby employees can officially end their workday early at 5pm every last Friday of the month;
- We organised team building and bonding events for our employees; and
- We initiated the Fruit Day initiative, providing employees with fresh fruit, including nutritional information of the fruit provided, regularly.

Furthermore, safety performance will be tracked to monitor the effectiveness of our controls and management.

#### Performance

Key statistics of the workforce breakdown of our Operations are as follows:

Safety and Health Performance of Operations	FY2O24	FY2023	FY2O22
Number of fatalities	-	-	-
Number of high-consequence work-related injuries (injury that results in the worker not being able to recover fully to pre-injury health status within 6 months), excluding fatalities	_	_	_
Number of recordable work-related injuries	1	1	-
Number of cases of recordable work-related ill health	-	-	-

Our operations in Singapore are ISO 45001:2018, bizSAFE STAR and SafeContractor Accreditation certified and these certifications recognise our continuous efforts to incorporate safety in our business.

#### **Talent Development and Retention**

#### Commitment

The talents and skills brought by our employees are one of the vital assets of the Group. Effective employee development and training programmes are not only crucial to our human resources strategy but are also a strategic element to support NeraTel's competitive edge. Accordingly, we are committed to continually enhancing our employees' skills and fostering a culture of growth and innovation to ensure the Group's continued success.

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#### Approach

Our employee development programmes serve to achieve various objectives, including equipping our employees with skills and knowledge to perform their roles effectively, enhancing the overall service quality offered to customers, increasing productivity, as well as developing future talents and leadership for the purpose of succession planning.

To meet different development objectives, the Group provides technical training, leadership programmes, as well as soft skills training. Generally, technical staff are encouraged to attain technical certifications relevant to their work whilst Management staff are encouraged to attend leadership development courses and programmes.

Our employees are subject to annual performance appraisals to assess their work performance, discuss challenges faced, their career aspirations and progress, and improvement areas for the Group. Such a platform allows employees and managers to identify suitable training topics for employees in pursuit of their career development, as well as supporting long-term talent planning for the Group.

#### Approach

Key statistics on training hours are as follows:

Training	FY2O24	FY2O23	FY2022
Training hours	3,381	2,531	1,396
Average training hours per employee	11.5	7.8	4.8

The increase in training hours was mainly attributed to the Group-wide roll-out of a series of training programmes which included cybersecurity awareness and other Group policies. The Singapore team also underwent risk assessment training, while the Malaysian team benefitted from a more structured training programme which focused on areas such as soft skills.

Key statistics on employee turnover and new hires by gender and age group are as follows:

Turnover and New Hire	FY2O24		FY2023		FY2O22	
(Permanent Full-Time Employees Only)	Turnover	New hire	Turnover <sup>16</sup>	New hire	Turnover	New hire
Number (turnover rate <sup>17</sup> /new hire rate <sup>18</sup> )						
Breakdown by gender						
Male	42%	28%	27%	18%	29%	29%
Female	43%	30%	33%	27%	26%	40%
Breakdown by age group						
< 30 years old	65%	73%	40%	44%	58%	68%
30 – 50 years old	31%	20%	29%	17%	21%	28%
> 50 years old	82%	21%	17%	17%	42%	33%
Overall	43%	29%	29%	21%	31%	33%

The increase in overall turnover rate is mainly due to the strategic downsizing of a less profitable geographical segment.

<sup>16</sup> Turnover rate by age group are restated as a correction.

<sup>17</sup> Turnover rate is calculated by dividing turnover number during the year by the number of employees at the end of the current financial year, in relation to each employee category.

<sup>18</sup> New hire rate is calculated by dividing the number of new hires during the year by the number of employees at the end of the current financial year, in relation to each employee category.

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#### **Ongoing Community Development**

#### Commitment

We have a mission to give back to the community and contribute to a more inclusive society where possible. We endeavour to support communities, especially vulnerable communities, to support sustainable development that leaves no one behind.

#### Approach

We work with various organisations to support and help local communities.

#### Performance

At NeraTel, we are dedicated to giving back to the community and fostering a more inclusive society. We focus on supporting sustainable development, with particular emphasis on vulnerable communities in the regions where we operate. Throughout FY2O24, we continued our efforts to contribute to these causes through various community initiatives.

In Singapore, we maintained our long-standing partnership with Dover Park Hospice (DPH), our adopted charity, and carried out a series of activities that allowed our team to contribute their time, effort, and resources in support of the hospice's patients, caregivers, and staff. For National Caregivers' Day, we packed and distributed 200 care packs to DPH's caregivers to thank them for their devotion in making a profound impact on the lives of the patients and their families. We also celebrated Singapore's National Day with the patients, packing and distributing National Day-themed goodie bags filled with comfort items and local essentials, to bring cheer and foster a sense of national pride and unity. Additionally, our employees participated in multiple charity auctions throughout the year to help raise funds for DPH's holistic palliative care services, ensuring that every moment matters for the patients and their families.



Employees in Singapore also trained for and participated in the Race Against Cancer Run 2024. The competitive race, which is organised annually by the Singapore Cancer Society (SCS), aims to raise funds for cancer treatment subsidies, welfare assistance, rehabilitation, hospice care, screenings, research, public education, and cancer support group initiatives. We are humbled by SCS's mission to minimise cancer and maximise lives through their programmes, and are proud to have played a small part in supporting their cause through this meaningful event.

Over in Malaysia, our team supported Pusat Jagaan Darul Sakinah Angkasa, an orphanage, by organising several employee-led initiatives. In collaboration with like-minded vendors, our team helped improve the living and communal spaces for the children by cleaning, replacing curtains and fixtures, and engaging with them through fun games and educational activities. A special party was also organised, complete with décor, food, and gifts, to brighten their day.

In Indonesia, we supported the Mizan Amanah Pejompongan orphanage by donating food, school supplies, and other essential items throughout the year. Our employees volunteered to organise and participate in various activities, such as visiting the children to prepare a Ramadan breakfast, distribute school supplies and educational materials, and celebrate Indonesia's Independence Day together. The team also prepared and distributed gift packs to the children at the end of the year to spread festive cheer.



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#### TARGETS AND PROGRESS

To measure our ongoing sustainability performance and drive continuous improvement, we have developed a set of targets related to our material Sustainability Factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

LEGEND: PROGRESS TRACKING						
	000					
	New target	Target ac	hieved	On track to meet ta	arget Not on track, requires review	
S/N	MATERIAL SUSTAINABILITY F	FACTOR	TARGET		CURRENT YEAR PROGRESS	
Ecor	nomic					
1	Total customer satisfaction		<u>On-going and</u> Adhere to the in Operations	e market standards	000	
2	Sustainable business perform	nance		improve economic rated subject to tions	Economic value generated decreased to \$98.7 million, mainly due to a challenging economic environment marked by ongoing market headwinds and prolonged geopolitical tensions.	
Gove	ernance					
3	Corporate governance and b ethics	usiness	<u>On-going and</u> Maintain zero	l long-term incidents of fraud	Maintained zero incidents of fraud	
Envi	ronmental					
4	Energy, water conservation a emissions reduction	nd GHG	consumpt	or reduce water tion intensity or reduce GHG intensity	<ul> <li>We recorded an increase in water consumption intensity per full-time permanent employee which is mainly due to a greater shift from a hybrid work arrangement to in-office work.</li> <li>We recorded a reduction in aggregated Scope 1 and 2 GHG emissions intensity mainly due to the relocation of our Malaysia office to a more efficient office space with reduced electricity usage, which resulted in a more than proportional decrease in energy consumption compared to the number of employees.</li> </ul>	

Time horizons for target settings are: (i) short-term: within 5 years (until FY2028); (ii) medium-term: between 5 and 20 years (between FY2028 and FY2043); (iii) long-term: above 20 years (FY2043 onwards); and (iv) ongoing: encompassing short, medium, and long-term.
 The target was revised after considering market trends.

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S/N	MATERIAL SUSTAINABILITY FACTOR	TARGET	CURRENT YEAR PROGRESS		
5	Responsible waste management	Medium-term and long-term Reduce our aggregated absolute Scope 1 and Scope 2 GHG emissions by 30% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2023 as our baseline On-going and long-term Maintain zero incidents of non-compliance with any applicable waste disposal-related environmental laws and regulations that resulted in significant fines or non-monetary sanctions	We achieved a 22% reduction in aggregated absolute Scope 1 and Scope 2 GHG emissions, with FY2023 as our baseline due to the relocation of our Malaysia office to a more efficient office space with reduced electricity usage. Maintained zero incidents of non-compliance with any applicable waste disposal-related environmental laws and regulations that resulted in significant fines or non-monetary sanctions		
Soci	al				
6	Equality and Diversity in the Workplace	On-going and long-term Maintain zero reported incidents of unlawful discrimination against employees	Maintained zero reported incidents of unlawful discrimination against employees		
7	Occupational health and safety	Short-term Minimise the number of workplace accidents	Maintained one (1) recordable work-related injury		
		On-going and long-term Maintain zero work-related fatalities, high-consequence work-related injuries and recordable work-related ill health cases	Maintained zero work-related fatalities, high-consequence work- related injuries and recordable work-related ill health cases		
8	Talent development and retention	<u>Short-term</u> Maintain or improve the average hours of training per employee	We achieved an improvement in average hours of training per employee which mainly arises from Group-wide training programmes rolled out on areas such as cybersecurity awareness and other Group policies, as well as risk assessment for our Singapore team and development of a more structured training programme for our Malaysia team, focusing on areas such as soft skills		
9	Ongoing community engagement	<u>On-going and long-term</u> Initiate various campaigns to help communities	Campaigns and community programmes continued to be carried out		
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For the material Sustainability Factors identified in this Report, the Board and SC have considered the relevance and usefulness of setting related targets in the short, medium and long-term horizons. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium-term and long-term targets and will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

#### CLIMATE-RELATED DISCLOSURES

Our climate-related disclosures are produced based on the 11 recommendations of TCFD:

#### Governance

#### a. Describe the board's oversight of climate-related risks and opportunities.

The Board oversees the management and monitoring of the sustainability matters of the Group, including climate-related risks and opportunities, and takes them into consideration in the determination of the Group's strategic direction and policies.

#### b. Describe management's role in assessing and managing climate-related risks and opportunities.

Our SC headed by the CEO and comprises members across different business units and corporate functions, guides our sustainability strategy as part of the Group's overall business strategy. The SC is responsible for the management and monitoring of our material Sustainability Factors, including working with the various business units to ensure that climate-related issues are considered in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of sustainability metrics.

#### Strategy

- a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.
- b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

We recognise that climate change poses different types of risks to our business. The Group's assessment on potential implication of climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("NGFS") range of climate scenarios:

Scenario	Description
NGFS – Orderly	This scenario assumes that climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued through cohesive stringent climate policies and innovation.
NGFS – Hot house world	This scenario assumes that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. Critical temperature thresholds are exceeded, leading to severe physical risks and irreversible impacts like sea-level rise. Only currently implemented policies are preserved, leading to high physical risks.

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We selected NGFS' orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of climate-related risks is analysed on group-wide activities in the short-term (within 5 years, until FY2029), medium-term (between 5 and 20 years, between FY2028 and FY2044) and long-term (above 20 years, FY2044 onwards). Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during a climate-related risk assessment exercise include the following:



<sup>21</sup> Source: https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/

22 We are unable to estimate the current financial effect due to uncertainties in the inputs and assumptions resulting from the lack of available data, including information about climate outcomes and their effects on the Group. We will continue to monitor credible information to support our disclosures in this area.

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In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

#### Strategy

### c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that under Hot House World scenario, unmitigated climate risks of increased severity of extreme weather events may lead to severe financial impacts in the medium and long-term. Under Orderly scenario, the climate-related risks identified are not expected to result in significant financial impacts in the short, medium, or long-term. To address these risks and capitalise on opportunities associated with climate change, we will continuously refine our strategy to remain resilient throughout our sustainability journey.

#### **Risk Management**

- a. Describe the organisation's processes for identifying and assessing climate-related risks.
- b. Describe the organisation's processes for managing climate-related risks.
- c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

The Group's climate-related risks and opportunities are identified and assessed during the climate-related risk assessment exercise.

Under the assessment, business units and support functions are responsible for identifying and documenting their relevant risk exposures that might hinder their progress towards contributing to the Group's business objectives. We will integrate climate-related risks into our risk management framework in the future.

#### **Metrics and Targets**

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

The Group monitors, measures and reports on its environmental performance such as energy consumption, GHG emissions, water consumption and waste generation in its sustainability reports. Monitoring and reporting these data and metrics enable the Group to identify areas of material climate-related risks and be more focused on its efforts.

#### b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.

To support the climate change agenda, we disclose our Scope 1, Scope 2 and selected Scope 3 GHG emissions in this Report and set climate-related targets such as those related to energy and GHG emissions. We will continue to monitor our emissions and expand the disclosure of our Scope 3 GHG emissions wherever applicable and practicable.

Our disclosure on indirect Scope 3 emissions includes purchased goods and services (category 1).

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we have set climate-related targets related to energy consumption and GHG emissions. For further details, please refer to the targets and progress section.

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### APPENDIX 1 GRI CONTENT INDEX

Statement of Use	Nera Telecommunications Ltd has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards		
GRI 1 Used	GRI 1: Foundation 2021		
GRI standard	Disclosure	Location	
GRI 2: General Disclosures 2021	2-1 Organisational details	Pages 4-5, 12, 85, 145-146	
	2-2 Entities included in the organisation's sustainability reporting	Pages 4, 14	
	2-3 Reporting period, frequency and contact point	Pages 14, 17	
	2-4 Restatements of information	Page 31	
	2-5 External assurance	Page 14	
	2-6 Activities, value chain and other business relationships	Pages 9-10, 18, 21-23	
	2-7 Employees	Page 29	
	2-8 Workers who are not employees	None	
	2-9 Governance structure and composition	Pages 5-7, 14-16	
	2-10 Nomination and selection of the highest governance body	Pages 45-47, 49-51	
	2-11 Chair of the highest governance body	Pages 5-6, 14-15	
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 14-16	
	2-13 Delegation of responsibility for managing impacts	Pages 14-16	
	2-14 Role of the highest governance body in sustainability reporting	Pages 14-16	
	2-15 Conflicts of interest	Page 42	
	2-16 Communication of critical concerns	Pages 24, 62-63	
	2-17 Collective knowledge of the highest governance body	Pages 14, 42	
	2-18 Evaluation of the performance of the highest governance body	Pages 51-52	
	2-19 Remuneration policies	Pages 53-56	
	2-20 Process to determine remuneration	Pages 53-56	
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.	
	2-22 Statement on sustainable development strategy	Pages 2-3, 12-13	
	2-23 Policy commitments	Pages 24, 29-30	
	2-24 Embedding policy commitments	Pages 24, 29-30	
	2-25 Processes to remediate negative impacts	Pages 24, 62-63	
	2-26 Mechanisms for seeking advice and raising concerns	Pages 24, 62-63	

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GRI standard	Disclosure	Location
	2-27 Compliance with laws and regulations	Pages 24, 29
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	Pages 16-17, 68
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements
GRI 3: Material	3-1 Process to determine material topics	Pages 18-19
Topics 2021	3-2 List of material topics	Pages 19-20
	3-3 Management of material topics	Pages 20-35
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pages 23-24
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Page 24
2016	205-3 Confirmed incidents of corruption and actions taken	Page 24
GRI 302: Energy	302-1 Energy consumption within the organisation	Page 28
2016	302-3 Energy intensity	Page 28
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 28
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Page 28
2016	305-2 Energy indirect (Scope 2) GHG emissions	Page 28
	305-3 Other indirect (Scope 3) GHG emissions	Page 28
	305-4 GHG emissions intensity	Page 28
GRI 306: Waste	306-1 Waste generation and significant waste-related impact	Pages 28-29
	306-2 Management of significant waste-related impact	Pages 28-29
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 31
GRI 403:	403-9 Work-related injuries	Page 30
Occupational Health and Safety 2018	403-10 Work-related ill health	Page 30
GRI 404: Training	404-1 Average hours of training per year per employee	Page 31
and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page 31
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 29
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 29
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 32

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### APPENDIX 2 INDUSTRY-BASED GUIDANCE ON IMPLEMENTING CLIMATE-RELATED DISCLOSURE METRICS

The sustainability disclosure metrics are based on the IFRS SDS Industry-Based Guidance for implementing climate-related disclosure ("Industry-Based Metrics") (Volume B58 – Software & IT Services). The details are as follows:

Table 1. Sustainability	<sup>,</sup> Disclosure	Topics &	Accounting Metrics
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Торіс	Code	Metric	Response
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	<ol> <li>Total energy consumed</li> <li>Percentage grid electricity</li> <li>Percentage renewable</li> </ol>	<ol> <li>FY2024: 2,757 GJ</li> <li>FY2024: 100%</li> <li>FY2024: -%</li> </ol>
	TC-SI-13Oa.2	<ol> <li>Total water withdrawn</li> <li>Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress</li> </ol>	<ol> <li>FY2024: 1,865 m<sup>3</sup></li> <li>FY2024: 1,865 m<sup>3</sup>. Percentage of water drawn from water stress areas is not applicable, given that we do not contribute significantly to the ability of any of the countries in which we operate in, to meet the human and ecological demand for water. Areas with water stress are identified based on the World Resources Institute Aqueduct Water Risk Atlas.</li> </ol>
	TC-SI-13Oa.3	Discussion of the integration of environmental considerations into strategic planning for data centre needs	Not applicable to our business as we do not develop, own or outsource data centres.
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.1	Number of: 1. Performance issues 2. Service disruptions 3. Total customer downtime	Not applicable to our business as we do not own or design any software or technology. We merely
	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	implement the technology/ software provided by our vendors for our customers.

#### **Table 2. Activity Metrics**

Code	Activity Metric	Response
TC-SI-000.A	<ol> <li>Number of licences or subscriptions</li> <li>Percentage cloud-based</li> </ol>	Not applicable to our business as we do not own
TC-SI-OOO.B	<ol> <li>Data processing capacity</li> <li>Percentage outsourced</li> </ol>	the licenses or subscriptions or develop, own or outsource data centres.
TC-SI-000.C	<ol> <li>Amount of data storage</li> <li>Percentage outsourced</li> </ol>	

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Nera Telecommunications Ltd (the "Company") is committed to high standards of corporate governance to ensure greater transparency and protect the interests of its employees, customers and shareholders. The Board of Directors ("Board") and Management believe that good corporate governance is key to the integrity of the Group and essential to the long-term sustainability of the Group's businesses and performance.

To discharge its governance function, the Board and its committees have established policies and rules to govern their activities. The Board and its committees are guided by their respective Terms of References.

The Board is pleased to report to its shareholders on the Company's corporate governance practices for the financial year ended 31 December 2024 ("FY2024") with specific reference to each provision of the Code of Corporate Governance 2018 (the "Code") issued in August 2018. The Board confirms that the principles and provisions of the Code have been adhered to and to the extent that the Company's practices may vary from the provisions of the Code, the Company has explained in this report how its practices are consistent with the intent of the relevant principles of the Code.

#### BOARD MATTERS

The Board oversees the overall strategy and business direction of the Group and is collectively responsible for its success. The Management plays a pivotal role in providing Board members with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

#### PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

#### Provision 1.1

#### Board's Role

The principal functions of the Board include, inter alia, providing entrepreneurial leadership, setting strategic objectives, monitoring Management's performance, establishing a framework for prudent and effective control for risk management, safeguarding shareholders' interests and the Company's assets as well as setting values and standards (including ethical standards) for the Company. The Board is also mindful of the Company's social responsibilities.

The Board sets the directions for the Company where ethics and values are concerned. This helps to nurture an environment where integrity and accountability are key.

#### The Board's Conduct of Affairs

The principal functions of the Board include, inter alia:

- Providing entrepreneurial leadership, setting key business and financial strategic objectives and strategies and ensuring necessary financial and human resources are in place for the Company to meet those objectives;
- (b) Approving the annual budget, major investments and divestments, and funding proposals;
- (c) Reviewing and monitoring Management's performance;
- (d) Establishing a framework for the oversight of prudent and effective internal controls, risk management, financial reporting and compliance; and
- (e) Assuming responsibility for good corporate governance to protect the Company's assets and enhancing the long-term value of the Company for its shareholders.

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#### **Objective Decision Making**

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with the Management to take objective decisions in the interest of the Group.

Any Director who has a conflict of interest which is likely to impact his or her independence or conflict with a subject under discussion by the Board is required to immediately declare his or her interest to the Board, remove himself or herself from the information flow and recuse from participating in any further discussion or voting on the subject matter.

#### Provision 1.2

#### Continuous Training and Development of Directors

Management and Professional Advisers keep the Directors up-to-date on pertinent developments in the business including changes to laws and regulations, corporate governance, financial reporting standards and industry-related matters. Such periodic updates are provided to Directors to facilitate the discharge of their duties.

The Directors attend appropriate courses, conferences and seminars conducted by various Regulatory Authorities, Financial Institutions and Professional Consultants, for example, the Singapore Institute of Directors (SID), Singapore Stock Exchange (SGX) and Institute of Singapore Chartered Accountants (ISCA). Funding is also provided in support of relevant training for Directors.

Directors are also encouraged to read and actively engage in informal discussions on subjects which are relevant to the Group's business.

As at the date of this Report, Mr Steve Chu, Fu-Chuan, Mr Eric Yu, Ling-Hsiao and Ms Jenny Teng Mui Keow, being newly appointed Directors in FY2O24, are in the progress of completing the mandatory training as prescribed by the SGX-ST and shall endeavour to complete the same soonest practicable, and in any event, by October 2025. For the avoidance of doubt, Mr Raymond Lum Wai Meng, a newly appointed Director in FY2O24, has completed the mandatory training and is familiar with the duties and obligations required of a Director of a listed company in Singapore as he currently sits on the board of another listed issuer on the SGX-ST. Please refer to the Company's announcement dated 25 October 2024 with respect to Mr Raymond Lum Wai Meng's appointment as a Director, for further details.

#### Appointment Letter to New Directors

Orientation programmes will be organised during the year for new incoming Directors to ensure that they are familiar with the Company's key businesses and corporate governance practices. This allows the new Directors to get acquainted with Senior Management, thereby facilitating Board interaction and independent access to Senior Management. Directors may also at any time request further explanations, briefings and informal discussions on any aspect of the Company's operations or business.

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#### Provision 1.3

#### Internal Guidelines on Matters Requiring Board Approval

The Company has adopted internal guidelines governing matters that require the Board's approval.

Matters which are specifically reserved to the Board for approval are:

- a) Strategic business plans and policies of the Group;
- b) Annual budgets;
- c) Material acquisitions and disposal of assets;
- d) Corporate or financial restructuring;
- e) Share issuances, interim dividends and other returns to shareholders;
- f) Matters involving a conflict of interest for a substantial shareholder or a director; and
- g) Terms of reference of the Board and its Committees.

The matters which are specifically decided and approved by the Board are clearly documented in the minutes of meetings and kept with the Company.

#### Provision 1.4

#### Delegation of Authority to Board Committees

The Board is supported by a number of committees to assist it in the discharge of its responsibilities and also enhance the Company's corporate governance framework. These committees include the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit and Risk Management Committee ("ARMC"). Each Board committee has its own specific Terms of Reference setting out the scope of its duties and responsibilities, rules and regulations, and procedures governing the manner in which it is to operate and how decisions are to be taken.

#### Provision 1.5 & 1.6

#### Meetings of Board and Board Committees

The Board and its committees meet regularly through scheduled meetings and as warranted by particular circumstances. A schedule of meetings is provided in advance to each Director prior to the commencement of each Financial Year. If Directors are unable to attend meetings in person, telephonic means of communication are allowed under the Constitution of the Company. To enable members of the Board and its committees to prepare for the meetings, agendas together with Board papers and related materials are circulated within five (5) working days before the meetings.

The Board normally meets at least four (4) times a year with additional meetings convened as and when necessary.

During FY2024, the Company held seven (7) Board Meetings.

#### Multiple Board Representations

All Directors are required to declare their Board Representations. The NC considers that the multiple Board representations held presently by its Directors do not impede their respective performance in carrying out their duties to the Company.

The Directors had committed considerable time towards the many Board meetings and Board Committee meetings held in FY2024 and adjusted their schedules to ensure participation in Board and Board Committee meetings for the deliberation of issues. The NC finds the Directors have committed their time effectively to discharge their responsibilities.

A record of the Directors' attendance at the Board and Board Committee meetings as well as General Meeting for the financial year ended 31 December 2024 is set out below:

2024 Meeting Attendance*	Board Meetings	Audit and Risk Management Committee Meetings	Remuneration Committee Meetings	Nominating Committee Meetings	General Meetings
Number of meetings held in FY2024	7	5	1	4	1
Name of Directors		Number of me	etings attended		
Mr Steve Chu, Fu-Chuan, Chairman <sup>1</sup>	1/1	1/1	_	_	-
Mr Basil Chan <sup>2</sup>	7/7	5/5	1/1	4/4	1/1
Mr Eric Yu, Ling-Hsiao <sup>3</sup>	1/1	1/1	_	_	-
Mr Raymond Lum Wai Meng⁴	1/1	1/1	_	-	-
Ms Jenny Teng Mui Keow⁵	1/1	1/1	_	_	-
Mr Chong Hoi Ming <sup>6</sup>	6/6	N/A	N/A	N/A	1/1
Mr Tommy Teo Zhi Zhuang <sup>7</sup>	6/6	4/4	N/A	N/A	1/1
Mr Wong Chee-Yann <sup>8</sup>	5/6	N/A	1/1	4/4	1/1
Ms Kay Pang Ker-Wei <sup>9</sup>	6/6	4/4	1/1	4/4	1/1

\* Referred to meetings held/attended while each Director was in office in FY2024.

1 Mr Steve Chu, Fu-Chuan was appointed as the Non-Independent Non-Executive Chairman of the Company and a member of the Audit and Risk Management Committee and the Remuneration Committee with effect from 28 October 2024. Mr Steve Chu, Fu-Chuan was subsequently re-designated as the Non-Independent Executive Chairman of the Company with effect from 8 April 2025.

2 Mr Basil Chan was re-designated as the Lead Independent Non-Executive Director of the Company with effect from 28 October 2024.

3 Mr Eric Yu, Ling-Hsiao was appointed as a Non-Independent Non-Executive Director of the Company and a member of the Audit and Risk Management Committee and the Nominating Committee with effect from 28 October 2024. Mr Eric Yu, Ling-Hsiao was subsequently appointed as a member of the Remuneration Committee with effect from 8 April 2025.

4 Mr Raymond Lum Wai Meng was appointed as an Independent Non-Executive Director of the Company and the Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee with effect from 28 October 2024.

5 Ms Jenny Teng Mui Keow was appointed as an Independent Non-Executive Director of the Company and a member of the Audit and Risk Management Committee and the Remuneration Committee with effect from 28 October 2024.

6 Mr Chong Hoi Ming ceased to be an Executive Director of the Company with effect from 28 October 2024, and ceased to be the Company's CEO with effect from 8 April 2025.

7 Mr Tommy Teo Zhi Zhuang ceased to be a Non-Independent Non-Executive Director of the Company and a member of the Audit and Risk Management Committee with effect from 28 October 2024.

8 Mr Wong Chee-Yann ceased to be a Non-Independent Non-Executive Director of the Company and a member of the Nominating Committee and the Remuneration Committee with effect from 28 October 2024.

9 Ms Kay Pang Ker-Wei ceased to be an Independent Non-Executive Director of the Company and the Chairperson of the Nominating Committee and the Remuneration Committee and a member of the Audit and Risk Management Committee with effect from 28 October 2024.

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#### Board's Access to Information

The Board is supported by accurate, complete and timely information, and has unrestricted access to Management. Management places a high priority on providing timely and accurate information to the Board on an on-going basis, in order for the Directors to discharge their duties efficiently and effectively. Board members receive quarterly management reports pertaining to the operational and financial performance of the Company, including updates on the Company's financials, cash flow positions and forecasts, budget variance reports, order in-take, order backlog and sales pipelines. The Board will also be updated on industry trends and developments.

#### Provision 1.7

#### Board's Access to Management and Company Secretary

The Board has at all times separate and independent access to the Management through electronic mail, telephone and face-to-face meetings and are entitled at all times to request for any additional information needed to make informed decisions. Similarly, key Management staff, the Company's auditors or external consultants are invited to attend Board and Board Committee meetings to update and provide independent professional advice on specific issues, where necessary.

Directors have separate and independent access to the Company Secretary through electronic mail, telephone and face-to-face meetings.

The role of the Company Secretary includes the responsibility for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. Further, the Company Secretary assists in coordinating the flow of information within the Board and Board Committees as well as between the Management and the Board. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes.

#### Appointment and Removal of Company Secretary

The appointment and removal of the Company Secretary is subject to the approval of the Board.

#### Board's Access to Independent Professional Advice

Where required, procedures are also in place for the Board and individual Board Committees to seek independent professional advice, paid for by the Company.

#### PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

#### Provisions 2.1, 2.2 & 2.3

### Independent Element of the Board, Composition of Independent Directors and Non-Executive Directors on the Board

As at the date of this Report, the Board comprises five (5) Directors, one (1) of whom is an Executive Director, one (1) of whom is a Non-Independent and Non-Executive Director, and the remaining three (3) Directors are Independent and Non-Executive Directors. In addition, as the Chairman of the Board is not an Independent Director, the Company had re-designated Mr Basil Chan as the Lead Independent Non-Executive Director of the Company with effect from 28 October 2024. Accordingly, majority of the Board is made up of Independent Directors, as well as Non-Executive Directors. As such, there is a strong independent element on the Board, capable of open, constructive and robust debate on pertinent issues affecting the affairs and business of the Company and the Group.

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#### Independence of Directors

The NC, in its deliberation as to the independence of a Director, takes into consideration examples of relationships as set out in the Code, and considers whether a Director has business relationships with the Group, and if so, whether such relationships can interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgment.

The NC, having considered the assessment made by the Directors on the independence status of Mr Basil Chan, Mr Raymond Lum Wai Meng and Ms Jenny Teng Mui Keow and other relevant factors, has determined that each has no relationship with the Company, its related corporations, its substantial shareholders or its officers and is also independent of the executive functions of the Company. In the discharge of their duties, they had exercised their independent business judgment in the best interest of the Company. In particular, Mr Basil Chan, Mr Raymond Lum Wai Meng and Ms Jenny Teng Mui Keow (a) have not been employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (b) do not have an immediate family members who are employed or has been employed by the Company or any of its related corporations in the past three (3) financial years, and whose remuneration is or was determined by the RC.

In this respect, the Board, with the recommendation and concurrence of the NC, affirmed that Mr Basil Chan, Mr Raymond Lum Wai Meng and Ms Jenny Teng Mui Keow remain as Independent Directors of the Company and each abstained from the discussions and taking a decision in respect of their own independence.

Further, under Listing Rules of SGX-ST which took effect from 11 January 2023, an Independent Director will not be considered independent if he or she has been a director of the issuer for an aggregate period of more than nine (9) years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer.

The Board confirms that none of the Independent Directors has served as a director of the Company for an aggregate period of more than nine (9) years (whether before or after listing).

#### Provision 2.4

#### Composition and Size of the Board

The Company recognises and embraces the importance of diversity at the Board level and sees diversity as an essential element to ensuring the achievement of its strategic objectives. The Company has adopted a Board Diversity Policy, with the NC responsible for reviewing and assessing the Board composition on behalf of the Board, and recommending the appointment of new directors.

The Company's Board Diversity Policy endorses the principle that the Board should have an appropriate mix of skills, knowledge and experience required to effectively oversee and support the management of the Company. Selection of candidates will be based on a range of diversity perspectives, including the balance of skills, knowledge, experience, age and gender.

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As at the date of this Report, a summary of the composition of the Board and its Committees is set out below':

Director	Board	ARMC	NC	RC
Mr Steve Chu, Fu-Chuan <sup>2</sup>	Executive Chairman and Executive Director	_	_	_
Mr Basil Chan	Lead Independent Non-Executive Director	Chairman	Member	Chairman
Mr Eric Yu, Ling-Hsiao	Non-Independent Non-Executive Director	Member	Member	Member
Mr Raymond Lum Wai Meng	Independent Non-Executive Director	Member	Chairman	_
Ms Jenny Teng Mui Keow	Independent Non-Executive Director	Member	-	Member

1 Following the re-designation of Mr Steve Chu, Fu-Chuan as the Non-Independent Executive Chairman of the Company with effect from 8 April 2025, the composition of the Board and its Committees has been re-constituted. Please refer to the Company's announcement dated 24 March 2025 titled "Changes in the Composition of the Board of Directors and Board Committees", for further details.

2 Mr Steve Chu, Fu-Chuan has been re-designated as the Non-Independent Executive Chairman of the Company with effect from 8 April 2025.

Having reviewed and considered the composition and diversity of the Board and its committees, the NC has determined that the current Board size and structure is adequate for the business operations of the Company.

In reference to diversity in terms of skills, knowledge, experience, amongst the Directors in the Board are IT, accounting, operations and management, supply chain management, finance, cybersecurity, mergers and acquisitions, and corporate governance who possess relevant and diverse expertise and skill sets for effective decision making. Key information regarding the Directors is set out on pages 6 to 7 of this Annual Report.

In terms of gender diversity, the Company has set a target to ensure that the Board has a minimum of one (1) female director on the Board. As at the date of this Report (and throughout FY2O24), one (1) out of the five (5) Directors in the Board is female. Accordingly, the Company has achieved its target set under the Board Diversity Policy. Nonetheless, given the importance of gender as a part of board diversity, the NC will continually assess the diversity needs of the Board as the Company grows over time and will prioritise the appointment of more female directors to the Board as may be appropriate in the future.

In view of the foregoing, the NC with the concurrence of the Board, is of the opinion that the current Board size of five (5) Directors, is appropriate and that it provides the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity in order to avoid groupthink and foster constructive debate.

The NC will review the Board Diversity Policy from time to time and also continually assess and institute board diversity targets when the need arises.

### Competency of the Board

To assist the NC in its annual review of the Directors' mix of skills, knowledge and experiences that the Board requires for it to function competently and efficiently, the Directors complete a Board of Directors Competency Matrix form providing information on their areas of specialisation and expertise. The NC reviews and subsequently presents the results to the Board for further consultation, highlighting key areas for improvement.

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#### Provision 2.5

#### Regular Meetings of Non-Executive Directors and Independent Directors

During the year under review, the Non-Executive Directors and Independent Directors communicate among themselves without the presence of Management as and when the need arises. The Chairman of the meeting then provided feedback to the Board and/or Management, as appropriate. The Company also benefitted from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings.

#### PRINCIPLE 3: CHAIRMAN AND CEO

#### Provisions 3.1 & 3.2 Roles and Responsibilities of Chairman & CEO

For the year under review, the functions of the Chairman and the then-CEO were assumed by two (2) separate individuals so as to ensure effective supervision and maintenance of an appropriate balance of power and authority. There was a clear demarcation between the roles of the Chairman and the then-CEO, which promoted increased accountability and a greater capacity of the Board for independent decision making.

As of 31 December 2024, Mr Steve Chu, Fu-Chuan was a Non-Independent Non-Executive Director and was appointed as the Chairman of the Board on 28 October 2024. He is responsible for the overall leadership of the Board and engages Senior Management regularly on pertinent issues. He approves the agendas for Board Meetings and promotes a culture of open and free discussion amongst the Directors. He also ensures that the Board receives timely and accurate information from Management, and provides valuable insight, guidance and advice on corporate governance systems and processes.

As at the date of this Report and as disclosed in the Company's announcements dated 24 March 2025, Mr Chong Hoi Ming had resigned as the Company's CEO effective from 8 April 2025. Accordingly, the Company presently does not have a CEO. While Mr Chong Hoi Ming was CEO, he led the Management and had full executive responsibility for the overall management and performance of the Group's business. He translated the Board's decisions into executive action and was accountable to the Board.

As at the date of this Report and as disclosed in the Company's announcements dated 24 March 2025, Mr Steve Chu, Fu-Chuan was re-designated as the Non-Independent Executive Chairman of the Company with effect from 8 April 2025, and he shall be responsible for the overall management of the Group in Singapore and the Group's global business development.

Notwithstanding the above, the Board is able to exercise its powers objectively and independently from the Management. The Board consists of a majority of Non-Executive Directors and a majority of Independent Directors. In addition, as disclosed under Provision 3.3 below, to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making, Mr Basil Chan has been redesignated as the Lead Independent Director with effect from 28 October 2024.

#### Provision 3.3

As the Chairman of the Company is not an Independent Director, the Board had re-designated Mr Basil Chan as the Lead Independent Non-Executive Director of the Company with effect from 28 October 2024.

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#### PRINCIPLE 4: BOARD MEMBERSHIP

#### Provision 4.1 and 4.2

#### NC Membership and Terms of Reference

The NC comprises three (3) members, majority of whom, including the Chairman, are independent. The composition of the NC is as follows:

Mr Raymond Lum Wai Meng (Chairman)	(Independent Non-Executive Director, appointed to the NC on
	28 October 2024)
Mr Basil Chan	(Lead Independent Non-Executive Director)
Mr Eric Yu, Ling-Hsiao	(Non-Independent Non-Executive Director, appointed to the NC
	on 28 October 2024)

Ms Kay Pang Ker-Wei was the Chairperson of the NC during FY2O24. Ms Kay Pang Ker-Wei stepped down on 28 October 2024 and in place, Mr Raymond Lum Wai Meng was appointed as the Chairman of the NC.

During the year under review, the NC held four (4) meetings, which all members at the material time attended.

The principal functions of the NC are:

- (a) To identify candidates, review nominations for both appointment and reappointment of the Directors to the Board for the Board's approval. When assessing new candidates, the proposed appointee's background, experience and other board memberships will be taken into consideration. The NC also reviews the Board's succession plans for the Directors, CEO, and Senior Management;
- (b) To review the Board structure, size, competencies including the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board, and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- (c) To review the independence of each Director annually;
- (d) To decide whether a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when the Director has multiple Board representations;
- (e) To assess the effectiveness of the Board and contribution of each Director to the effectiveness of the Board; and
- (f) To review suitable training and professional development programmes for the Board and its Directors.

#### NC Responsibilities

The key responsibilities of the NC include making recommendations to the Board on relevant matters such as the process for evaluating the performance of the Board as a whole. It also ensures compliance with the provisions of the Constitution of the Company which stipulates that at each AGM, one-third of the Directors, (or, if their number is not three or a multiple of three, the number nearest to one-third), shall retire from office by rotation in accordance with the Constitution, and may stand for re-election.

Each member of the NC abstains from voting on any resolution and making any recommendation and/or participating in respect of matters in which he/she is interested.

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In accordance with the Constitution of the Company, new Directors must submit themselves for re-election at the next Annual General Meeting of the Company and one-third of the Directors must retire by rotation at each Annual General Meeting and they shall be available for re-election.

The NC (with Mr Basil Chan abstaining in relation to his re-election as a Director of the Company) has recommended the nomination of the following Director retiring under Regulation 94 of the Constitution of the Company, selected in accordance with Regulation 95 of the Constitution of the Company, for re-election at the forthcoming AGM:

(i) Mr Basil Chan (Regulation 94)

Further, the NC (with Mr Raymond Lum Wai Meng and Mr Eric Yu, Ling-Hsiao abstaining in relation to their respective re-election as a Director of the Company) has recommended the nomination of the following Directors retiring under Regulation 100 of the Constitution of the Company, for re-election at the forthcoming AGM:

- (i) Mr Steve Chu, Fu-Chuan (Regulation 100)
- (ii) Mr Eric Yu, Ling-Hsiao (Regulation 100)
- (iii) Mr Raymond Lum Wai Meng (Regulation 100)
- (iv) Ms Jenny Teng Mui Keow (Regulation 100)

Each of Mr Basil Chan, Mr Steve Chu, Fu-Chuan, Mr Eric Yu, Ling-Hsiao, Mr Raymond Lum Wai Meng and Ms Jenny Teng Mui Keow have given their consent to remain in office and will submit themselves for re-election at the forthcoming AGM.

Upon re-election as Director, Mr Basil Chan will remain as the Lead Independent Non-Executive Director of the Company, the Chairman of the Audit and Risk Management Committee, the Chairman of the Remuneration Committee, and a member of the Nominating Committee; Mr Steve Chu, Fu-Chuan will remain as the Executive Chairman and Executive Director of the Board (Mr Steve Chu, Fu-Chuan was re-designated as the Executive Chairman and Executive Director of the Company from 8 April 2025 and concurrently relinquished his positions as a member of the Audit and Risk Management Committee and a member of the Remuneration Committee); Mr Eric Yu, Ling-Hsiao will remain as a member of the Audit and Risk Management Committee (Mr Eric Yu, Ling-Hsiao was appointed as a member of the Remuneration Committee (Mr Eric Yu, Ling-Hsiao was appointed as a member of the Nominating Committee from 8 April 2025); Mr Raymond Lum Wai Meng will remain as the Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee; and Ms Jenny Teng Mui Keow will remain as a member of the Audit and Risk Management Committee and the Remuneration Committee.

As at the date of this Report, none of the Company's Independent Directors is appointed as Director on the Boards of the Group's principal subsidiaries in jurisdictions outside of Singapore.

#### **Alternate Directors**

There are no Alternate Directors on the Board.

#### Provision 4.4

#### Determining Directors' Independence

Each Director completes a checklist to confirm his/her independence on an annual basis, and as and when circumstances require. The NC has reviewed the independence of the Directors as mentioned under Provision 2.1 above and satisfied that none of the Independent Directors and their immediate family members are related with its related corporations, its substantial shareholders or its officers.

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The Independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

Further details are set out in Provision 2.1 of this Corporate Governance Report.

### Provisions 4.3 and 4.5

#### Process for the Selection and Appointment of New Directors

The NC determines a suitable size and composition of the Board, and evaluates the balance of skills, knowledge and experience of members of the Board required to add value and facilitate effective decision-making, after taking into consideration the scope and nature of the operations of the Company. For the appointment of a new Director, a rigorous search process is undertaken by the NC which evaluates the academic and professional qualifications, knowledge and experience in relation to the business of the Group, independence status and other directorships of the candidate(s). Subsequently, the NC makes a recommendation to the Board for approval of the new Director.

New Directors are at present appointed by way of Board resolution or at the Board meeting based on the evaluation and recommendation made by the NC. Before making a recommendation to the Board for approval, searches are conducted and the NC ensures that the potential candidate possesses the necessary skills, knowledge, qualifications, working experience and other relevant factors that could facilitate the Board in making sound and well considered decisions. The incoming Director will also be required to undertake an assessment of independence.

A formal letter is sent to newly-appointed Directors upon his/her appointment stating his/her duties and obligations as director. This is to ensure that the newly-appointed Directors are aware of their duties and obligations.

#### Key Information on Directors

Key information of each member of the Board including directorships and chairmanships in other listed companies, other major appointments, academic/professional qualifications, membership/chairmanship in the Company's Board committees, date of first appointment and last re-election, principal commitments etc. can be found under the Directors' Profile section on pages 6 to 7 of this Annual Report.

#### PRINCIPLE 5: BOARD PERFORMANCE

#### Provisions 5.1 and 5.2

#### **Board Performance**

The Company has implemented a formal process to assess the Board as a whole, its committees, the Chairman, and each individual Director in their ability to discharge their responsibilities in providing stewardship, corporate governance and oversight of Management's performance.

For the year under review, Directors participated in the evaluation by providing feedback to the NC in the form of completing an overall Board Performance Evaluation, Board of Directors Committee Evaluation and Board of Directors Individual Assessment. To ensure confidentiality and frank assessment, the evaluation returns completed by Directors were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's performance for the year.

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The Chairman will act on the results of the performance evaluation and propose, where appropriate, new members to be appointed to the Board or seek the resignation of Directors.

#### Performance Criteria for Board Evaluation

The Board Performance Evaluation form is circulated and completed by each member of the Board annually. This involves scoring and an invitation for feedback on a number of key areas, including:

- a) Board composition and size;
- b) Board access to timely and accurate information;
- c) Board processes;
- d) Internal controls and risk management;
- e) Board accountability to the shareholders;
- f) Performance of each Board Committee;
- g) Board interaction with CEO/Senior Management; and
- h) Board's Standards of Conduct.

For FY2O24, the NC duly observed the aforesaid process and criteria and was satisfied with the results of the review.

#### **Evaluation of Individual Directors**

The performance of Individual Directors is also evaluated annually by the NC. A peer review process is carried out, assessing each Director's contribution to the Board on a number of key areas, including:

- a) Understanding of the Company's mission, strategic plans and long-term objectives;
- b) Knowledge of the Group's business and operations;
- c) Business acumen;
- d) Knowledge of Corporate Governance and Committee work;
- e) Contribution and engagement;
- f) Communication and interaction;
- g) Integrity; and
- h) any other special contributions made.

Following the foregoing assessment, the Board is of the view that the Board and its Board Committees operate efficiently and that each Director is contributing to the overall effectiveness of the Board.

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#### **REMUNERATION MATTERS**

Matters concerning remuneration of the Board, senior executives and employees who are related to the controlling shareholders and/or Directors (if any) are handled by the RC whose primary functions include development of formal and transparent policies on remuneration matters in the Company.

#### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

#### Provisions 6.1, 6.2 and 6.3

#### Remuneration Committee and Terms of Reference

The Remuneration Committee ("RC") comprises the following Directors, all of whom are Non-Executive and the majority, including the Chairman, are independent:<sup>1</sup>

Mr Basil Chan (Chairman)	(Lead Independent Non-Executive Director, re-designated as RC Chairman on 28 October 2024)
Mr Eric Yu, Ling-Hsiao <sup>2</sup>	(Non-Independent Non-Executive Director, appointed to the RC on 8 April 2025)
Ms Jenny Teng Mui Keow	(Independent Non-Executive Director, appointed to the RC on 28 October 2024)

1 As Mr Steve Chu, Fu-Chuan was re-designated as the Non-Independent Executive Chairman of the Company with effect from 8 April 2025, he had concurrently stepped down as a member of the RC.

2 Mr Eric Yu, Ling-Hsiao was appointed as a member of the RC in place of Mr Steve Chu, Fu-Chuan who stepped down from the RC pursuant to his re-designation as Non-Independent Executive Chairman of the Company.

Ms Kay Pang Ker-Wei was the Chairperson of the RC during FY2O24. Ms Kay Pang Ker-Wei stepped down on 28 October 2024 and in place, Mr Basil Chan was re-designated as the Chairman of the RC.

During the year under review, the RC held one (1) meeting, which all members at the material time attended.

The RC is guided by its written Terms of Reference, which set out its authority and duties.

The principal functions of the RC are:

- (a) To review and recommend to the Board a general framework for remuneration for the Directors, CEO and Senior Management of the Company;
- (b) To recommend the remuneration of the Non-Executive Directors to the Board for approval at the Annual General Meeting;
- (c) To determine specific remuneration packages for each Executive Director, CEO, Senior Management and any relative of a Director and/or its substantial shareholders who is employed in a managerial position by the Company;
- (d) To review the Company's obligations arising in the event of termination of the Executive Directors, CEO and Senior Management's service contracts and to ensure that these service contracts contain fair and reasonable termination clauses which are not overly generous; and
- (e) To review the remuneration packages of employees related to Executive Director, CEO and substantial or controlling shareholders of the Group and to ensure that the remuneration of such employees are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibility.

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#### Provision 6.4

#### RC's Access to Advice on Remuneration Matters

The RC has access to professional advice of external experts in the area of remuneration, where required and paid for by the Company.

No remuneration consultants were engaged by the Company during FY2024.

#### PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

#### Provision 7.1

#### Remuneration of Executive Director and Key Management Personnel

The Company's remuneration structure for its Executive Directors and Key Management Personnel comprises both fixed and variable components. The variable component is performance related and is linked to the Group/Company's performance as well as individual's performance. Such performance-related remuneration is designed to align with the interests of shareholders and other stakeholders and promote long-term success of the Group.

For the purpose of assessing the performance of the Executive Directors and Key Management Personnel, key performance indicators ("KPIs") are set out for each year.

#### Link between Remuneration and Performance

In determining the remuneration of the Executive Directors and Key Management Personnel, the RC reviewed their respective KPIs achievement and assessed their performance for the year.

The Executive Directors and Key Management Personnel variable remuneration is linked to performance targets as assigned by the RC. These performance targets incorporate Net Profit After Tax ("NPAT"), controls, regional or business lines profitability, strategic growth, operational improvements and securing of new customers. For FY2024, the RC has evaluated the extent to which the then-Executive Director (i.e., Mr Chong Hoi Ming who ceased to be an Executive Director of the Company with effect from 28 October 2024 and ceased to be the Company's CEO on 8 April 2025) and each of the Key Management Personnel has delivered on the corporate and individual objectives and based on the evaluation, has approved the compensation for the then-Executive Director and Key Management Personnel which were subsequently endorsed by the Board.

#### **Contractual Provisions**

The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company and the Group. This is because the Executive Directors owe a fiduciary duty to the Company. Hence, the Company should be able to avail itself to the full extent of the remedies available against the Executive Directors in the event of such breach of fiduciary duties, and need not rely on the use of contractual provisions to reclaim the same. Further, the Company should also be able to avail itself to the full extent of such breach of the remedies available under the law against the Key Management Personnel in the event of such incidents.

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#### Provision 7.2

#### Remuneration of Non-Executive Directors

Non-Executive Directors have no service agreements with the Company. Each of the Non-Executive Directors receives a basic fee for serving on the Board. Directors who serve on the various Board Committees also receive additional fees in respect of each Board Committee that they serve on, with the Chairman of the Committees receiving a higher fee in respect of their service as Chairman of the respective Board Committees.

The framework for Non-Executive Directors' fees for the first three (3) quarters of FY2024 is set out below:

	Chairman S\$	Member S\$
Board of Directors (Non-Executive Director only)	65,000	30,000
Audit and Risk Management Committee	30,000	15,000
Nominating Committee	14,000	7,000
Remuneration Committee	14,000	7,000

No member of the RC or Director was involved in deciding his or her own remuneration.

To assist the Company with cost savings, the RC has proposed, and the Board has concurred, that the Directors' fees for the fourth quarter of FY2O24 would be adjusted as set out below. Further, the RC also proposes that the Directors' fees for the financial year ending 31 December 2025 be adjusted as set out below. The Board concurred with the RC and recommended the same for approval by the shareholders at the AGM of the Company.

	Chairman S\$	Member S\$
Board of Directors (Non-Executive Director only)	52,000	27,000
Audit and Risk Management Committee	27,000	13,500
Nominating Committee	12,600	6,300
Remuneration Committee	12,600	6,300

#### Provision 7.3

#### Remuneration Framework

To attract, retain and motivate Directors and employees, the RC establishes appropriate remuneration frameworks for the Directors and Key Management Personnel of the Company. Such frameworks are reviewed periodically to ensure that they remain relevant.

During the year under review, the RC considered and approved the then-CEO's remuneration package which included salary, bonus and benefits-in-kind. In addition, the RC reviewed the performance of the Key Management Personnel and considered the then-CEO's recommendation for bonus and remuneration for the Key Management Personnel.

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#### Short-term Incentive Scheme

To build a strong performance-based culture across the Company, a short-term incentive ("STI") scheme has been implemented to reward the achievement of Executive Directors and Key Management Personnel based on the targeted corporate and individual performance identified at the beginning of the performance cycle. It is also devised to motivate employees to achieve the Company's business goals, attract and retain talented senior executives critical to the success of the Company.

#### Employee Share Scheme

The Company has no share-based compensation scheme or any long-term scheme involving the offer of shares or options or other forms of deferred remuneration. The Employee Share Scheme (the "Scheme"), which was adopted on 29 April 2014, has since expired. The Company had not granted any share options pursuant to the Scheme in previous financial years and decided not to renew the Scheme.

#### PRINCIPLE 8: DISCLOSURE ON REMUNERATION

#### Provisions 8.1 and 8.3

#### **Remuneration Report**

Details on the remuneration of Directors and Key Management Personnel for the year under review are presented in the following table.

#### Remuneration of Directors

The fees of the Independent and Non-Executive Directors are paid upon approval by the shareholders at the Annual General Meeting.

The breakdown (in dollar terms) for the remuneration and fees of the Directors for the year ended 31 December 2024 is as follows:

Remuneration and Fees/Name of Directors	Fees (S\$)	Salary (S\$)	Bonus (S\$)	Total <sup>(1)</sup> (S\$)
\$\$500,001 to \$\$750,000				
Remuneration paid to Executive Director/CEO				
Mr Chong Hoi Ming <sup>(1)(2)(3)</sup>	-	567,256	_	567,256
		100%	0%	100%
Below \$\$250,000				
Fees paid to Independent and/or Non-Executive Directors				
Mr Steve Chu, Fu-Chuan <sup>(3)(4)</sup>	13,906	_	_	13,906
Mr Basil Chan <sup>(5)</sup>	97,164	-	_	97,164
Mr Eric Yu, Ling-Hsiao <sup>(3)(4)</sup>	8,311	-	_	8,311
Mr Raymond Lum Wai Meng <sup>(3)(4)</sup>	9,430	_	_	9,430
Ms Jenny Teng Mui Keow <sup>(3)(4)</sup>	8,311	_	_	8,311
Mr Wong Chee-Yann <sup>(2)(3)</sup>	35,975	-	_	35,975
Mr Tommy Teo Zhi Zhuang <sup>(2)(3)</sup>	36,793	-	-	36,793
Ms Kay Pang Ker-Wei <sup>(2)(3)</sup>	59,686	_	_	59,686
Total Directors' Remuneration and Fees	269,576 32%	567,256 68%	0 0%	836,832 100%

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#### Notes:

- (1) Mr Chong Hoi Ming resigned as the Company's CEO with effect from 8 April 2025. Mr Chong Hoi Ming did not receive Director's fees. His salary and bonus disclosed above include allowances, benefits in-kind and statutory contributions for FY2024.
- (2) Mr Chong Hoi Ming's, Mr Wong Chee-Yann's, Mr Tommy Teo Zhi Zhuang's and Ms Kay Pang Ker-Wei's last day of service as Directors of the Company was on 28 October 2024.
- (3) Director's fee was pro-rated for the period he/she served on the Board during FY2024.
- (4) Mr Steve Chu, Fu-Chuan's, Mr Eric Yu, Ling-Hsiao's, Mr Raymond Lum Wai Meng's and Ms Jenny Teng Mui Keow's first day of service as Directors of the Company was on 28 October 2024. Mr Steve Chu, Fu-Chuan was re-designated as the Non-Independent Executive Chairman of the Company with effect from 8 April 2025.
- (5) Mr Basil Chan was re-designated as the Lead Independent Director of the Company with effect from 28 October 2024.

Under the Listing Rules of SGX-ST which will take effect for annual reports prepared for the financial year ending on or after 31 December 2024, listed companies are required to disclose the remuneration paid to individual Directors and the CEO by the Company and its subsidiaries.

On this basis, the Company will continue to disclose the remuneration paid to its individual Directors and the CEO (if any) of the Company in detail.

#### Remuneration of Key Management Personnel

The table below presents the remuneration details of the Company's top seven (7) highest paid Key Management Personnel ("**KMP**") of the Company who received remuneration in the \$250,000 and \$500,000 band and below \$250,000 (in percentage terms) during the calendar year. For FY2024, seven (7) personnel were identified as KMP, as three (3) KMP had resigned during the course of FY2024, and one (1) new KMP joined the Company during the course of FY2024 (the "**KMP Movements**"). As a result of the KMP Movements, the remuneration details for all seven (7) individuals will be provided in the table below to accurately and effectively represent the top five (5) highest paid KMP during the calendar year, as required under Provision 8.1 of the Code.

Name and Position of Key Management Personnel	Salary <sup>(1)</sup>	Bonus <sup>(2)</sup>	Total	Remuneration Bands of S\$250,000 to S\$500,000 and below S\$250,000
Ms Tan Geok Leng Jacqueline Chief Financial Officer	93%	7%	100%	\$\$250,000 - \$\$500,000
Mr Loh Weng Leong Alex <sup>(3)</sup> Senior Vice President, Sales (APAC)	100%	0%	100%	\$\$250,000 – \$\$500,000
Mr Phil Jeon <sup>(4)</sup> Vice President of Cybersecurity	100%	0%	100%	\$\$250,000 - \$\$500,000
Mr Yong Keh Soon Senior Vice President, Solutions and Services	93%	7%	100%	\$\$250,000 – \$\$500,000
Mr Lim Kok Quee <sup>(5)</sup> Group Solutions Head and Country Manager of Singapore	100%	0%	100%	\$\$250,000 – \$\$500,000
Mr Yeo Choon Sheng Vice President, Group Solutions and Head of Presales	92%	8%	100%	\$\$250,000 – \$\$500,000
Mr Tan Jon-Chiang Don <sup>(6)</sup> Senior Vice President, Group Sales	100%	0%	100%	Below S\$250,000
Total Remuneration of Top 5 Key Management Personnel	96% \$1,753,961	4% \$67,119	100% \$1,821,080	

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#### Notes:

- (1) Salary includes allowances, benefits in-kind and statutory contributions.
- (2) Bonus includes statutory contributions.
- (3) Mr Loh Weng Leong Alex's last day of service with the Company was on 15 November 2024.
- (4) Mr Phil Jeon's last day of service with the Company was on 11 January 2025.
- (5) Mr Lim Kok Quee's last day of service with the Company was on 24 December 2024.
- (6) Mr Tan Jon-Chiang Don joined the Company on 07 October 2024.

The Board, on the recommendation of the RC, has considered Provision 8.1 of the Code in the context of the Group and after careful consideration, believes that the disclosures provided above are sufficiently transparent in giving an understanding of the remuneration of the KMP (who are not Directors or the CEO) in view of the KMP Movements.

#### Provision 8.2

#### Employee Related to Directors/CEO/Substantial Shareholders

There is no employee who is an immediate family member of a Director, CEO or Substantial Shareholder of the Company, whose remuneration exceeded \$100,000 during FY2024.

#### ACCOUNTABILITY AND AUDIT

#### PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

#### Provision 9.1

#### Risk Management and Internal Controls System

The Board recognises the importance of maintaining sound systems of risk management and internal controls to safeguard shareholders' interests and the Group's assets. The ARMC oversees and ensures that the Company's risk management and internal controls system have been appropriately implemented and monitored.

A summary of the Company's risk management and internal controls system is appended below.

#### **Risk Management**

The Group adopts a comprehensive and systematic approach towards Enterprise Risk Management ("ERM") to help identify, measure, prioritise and respond to risks challenging its objectives, initiatives, and day-to-day operating activities.

As part of ERM, the Group has conducted on an annual basis a Risk Assessment exercise where a total of ten (10) key risks have been identified and evaluated. In addition, the Group evaluates its risk exposure by adopting a Four-by-Four Matrix Model where risks are assigned risk exposure ratings based on the likelihood and consequences of each risk identified.

The Group recognises risk management as a collective effort beginning with the individual subsidiaries and business units, followed by the operating segments and ultimately the Management and the Board, working as a team.

#### Internal Controls

An internal control system has been implemented to enhance the Group's internal control function in areas such as finance, operations, compliance and information technology. The internal control measures aim to ensure that the Group's assets are safeguarded, proper accounting records are maintained, and that financial information used within the business and for publication is reliable.

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#### Provision 9.2

#### Adequacy and Effectiveness of Risk Management and Internal Control Systems

ERM has become an essential part of the Group's business planning and monitoring process and has been incorporated into its business cycle. The Group engages a professional services firm PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC") to conduct internal audit reviews based on the plan approved by the ARMC.

During the year under review, the ARMC reviewed reports submitted by the internal auditors relating to the effectiveness of the Group's internal controls, including the adequacy of the Group's financial, operational, compliance and information technology controls. These reports covered the year 2024.

#### Board's Comment on Adequacy and Effectiveness of Risk Management and Internal Controls

The Board is satisfied that the Company worked closely with the internal and external auditors to implement the recommended measures and procedures and strived to achieve high standards in risk management and internal controls.

Based on the framework of risk management and internal controls established and maintained in the Group, the work performed by the internal auditors, statutory audit review undertaken by the external auditors, the Board with the concurrence of the ARMC, is of the opinion that the risk management and internal control systems that the Group has put in place to address the financial, operational, compliance and information technology risks are adequate and effective as at 31 December 2024 to meet the needs of the Group's current business environment. The Board, has received written assurance from the then-CEO and the Chief Financial Officer that:

- (a) the financial records have been properly maintained and the financial statements for FY2O24 give a true and fair view of the Group's operations and finances; and
- (b) the Group's risk management and internal control systems are adequate and effective.

The Board notes that the system of internal controls provides reasonable but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, fraud or other irregularities.

#### Risk Committee

The responsibility of overseeing the Company's risk management framework and policies is undertaken by the ARMC with the assistance of the internal auditors. Having considered the Company's business operations as well as its existing internal control and risk management systems, the Board is of the view that a separate Risk Committee is not required.

#### PRINCIPLE 10: AUDIT AND RISK MANAGEMENT COMMITTEE

#### Provision 10.1

### Roles, Responsibilities and Authorities of ARMC

The ARMC is guided by its Terms of Reference which stipulate that its principal functions include, inter alia, reviewing the annual audit plans (internal and external), the system of internal controls and management of financial risks, the effectiveness and adequacy of the internal audit function which is outsourced to a professional services firm, regulatory compliance matters, the risk management framework, recommendation on the appointment/re-appointment/removal of external auditors and their remuneration.

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The key functions of the ARMC are:

- (a) Review the adequacy and effectiveness of financial, operational, compliance controls and risk management;
- (b) To consider the appointment and re-appointment of the external auditors, audit fees and matters relating to the removal of the auditors;
- (c) To review the audit plans and reports of the internal and external auditors and consider the effectiveness of the actions taken by Management on the auditors' recommendations, review and evaluate the Group's internal accounting controls system;
- (d) To review the assurance from the CEO and Chief Financial Officer on the financial records and financial statements;
- (e) To review the half year and annual financial statements for recommendation to the Board for approval, focusing in particular, on:
  - (i) Significant financial reporting issues and judgments;
  - (ii) Changes in accounting policies and practices;
  - (iii) Major risk areas;
  - (iv) Significant adjustments resulting from the audit;
  - (v) Going Concern statement;
  - (vi) Compliance with accounting standards; and
  - (vii) Compliance with statutory and regulatory requirements
- (f) To review any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position;
- (g) To review Interested Persons Transactions and Related Party Transactions;
- (h) To review the scope and results of the internal audit procedures; and
- (i) To review the assistance given by the Management to the auditors.

The ARMC has explicit authority to investigate any matter within its Terms of Reference. It has full access to, and has had the full co-operation of the Management and staff. It also has full discretion to invite any Director or any member of the Management to attend its meetings.

On a half-yearly basis, the ARMC reviewed the interested person transactions, if any, and financial results announcements of the Company before their submission to the Board for approval.

The ARMC has explicit authority to investigate any matter including whistle-blowing reports within its Terms of Reference. All whistle-blower complaints were reviewed by the ARMC to ensure independent and thorough investigation and adequate follow-up action as well as arrangements for staff or third party to raise concerns and improprieties in confidence. The internal auditor shall maintain a whistle-blowing register to record all the whistle-blowing incidents. The contents were reviewed by the ARMC at its quarterly meetings and closed appropriately.

Minutes of the ARMC meetings are routinely tabled at Board meetings for information.

The ARMC had reviewed the external auditor's audit plan for FY2O24 and agreed with the auditor's proposed significant areas of focus and assumptions that impact the financial statements. In ARMC's review of the financial statements of the Group for FY2O24, it had discussed with the Management the accounting principles that were applied and their judgment of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements. The ARMC also reviewed and addressed, amongst other matters, the following key audit matters as reported by the external auditors for FY2O24.

Key Audit Matters	HOW THE ARMC REVIEWED THESE MATTERS AND WHAT DECISIONS WERE MADE
Revenue recognition	The ARMC reviewed the policy and basis for revenue recognition with Management and concurred with their determination of the revenue. The ARMC discussed with the auditors on their audit procedures performed including the Group's basis for identification of performance obligations and whether they were satisfied over time or at a point in time, review of contract revenues recognised and project costs incurred, as well as Management's estimate of the costs to complete. The ARMC was satisfied with the appropriateness of the revenue recognised in the consolidated financial statements of the Group for the financial year ended 31 December 2024.
Recoverability of trade receivables and contract assets	The ARMC assessed the recoverability of specific long overdue trade receivables and potential impairment of contract assets. The ARMC noted that the audit procedures performed by the auditors included evaluating Management's assumptions and inputs used in the computation of historical credit loss rates and reviewing the data and information that management had used to make forward-looking adjustments as well as requesting for confirmations and obtaining evidence of receipts subsequent to the year end from selected customers. It concurred with Management on the adequacy of the provision for trade receivables and impairment of contract assets for the financial year ended 31 December 2024.

The Management reported to and discussed with the ARMC on changes to the accounting standards and accounting issues which have a direct impact on the financial statements. Directors had also been invited to attend relevant seminars on changes to accounting standards and issues by leading accounting firms.

#### ARMC to Keep Abreast of Changes to Accounting Standards

In addition to the activities undertaken to fulfil its responsibilities, the ARMC is kept up to date by the Management, external and internal auditors on changes to accounting standards, SGX-ST Listing Rules and other codes and regulations which can have an impact on the Group's business and financial statements.

#### Independence of External Auditors

The ARMC oversees the Group's relationship with its external auditors. It reviews the selection of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditors, the remuneration and terms of engagement of the external auditors. The annual re-appointment of the external auditors is subject to shareholders' approval at each AGM of the Company.

The ARMC has reviewed the independence and objectivity of the external auditors through discussions with the external auditors and an annual review of the nature, extent and charges of non-audit services provided by the external auditors and the ARMC was of the view that the non-audit services (namely for tax compliance services) provided by the external auditors in FY2O24 did not prejudice their objectivity and independence.

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In respect of the audit quality indicators, the ARMC had reviewed, in particular, the following areas: audit hours planned, experience of the team, adequacy of training received by the team, results of internal and third party's inspection of their work, compliance with independence requirement, quality control, staff oversight, and staff attrition rate.

A breakdown of the fees paid to the Group's external auditor (including its member firms) is disclosed in the table below:

External Auditor Fees for FY2024	S\$′000	% of Total Fees
Total Audit Fees	447	85
Total Non-Audit Fees	78	15
Total Fees	525	100

The ARMC had recommended and the Board had accepted proposing to the shareholders, the re-appointment of Ernst & Young LLP as the independent auditors for the Group in the ensuing year. The Company has complied with Rules 712, 715 and 716 of the listing manual of the SGX-ST ("Listing Manual") in relation to the Company's appointment of its auditors.

#### Whistle-blowing Policy

To encourage proper work ethics and eradicate any internal improprieties, unethical acts, malpractices, fraudulent acts, corruption and/or criminal activities in the Group, the Company has implemented a Whistle-blowing Policy. This policy provides a mechanism by which concerns about plausible improprieties in matters of financial reporting, dishonest practice, suspected fraud, bribery and corruption, may be raised. A Whistleblowing Committee ("WBC") had been established for this purpose.

The Company's Whistle-blowing Policy allows not just employees but also external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith.

Assisted by the WBC, the ARMC addresses issues/concerns raised and arranges for investigation and/or follow-up of appropriate action. The ARMC reports to the Board any issues/concerns received by it and the WBC, at the ensuing Board meeting. Should the ARMC or WBC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external advice where necessary. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

#### Whistle-blowing Committee ("WBC")

The WBC consists of:

- ARMC; and
- Internal auditors of the Group, PricewaterhouseCoopers Risk Services Pte. Ltd.

The WBC is empowered to:

- look into all issues/concerns relating to the Group (except for those directed specifically to or affecting any member of the WBC which are dealt with by the ARMC);
- make the necessary reports and recommendations to the ARMC or the Board for their review and further action, if deemed required by them; and
- access the appropriate external advice where necessary and, where appropriate or required, report to the relevant governmental authorities for further investigation/action.

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The Group takes concerns on the integrity and honesty of its employees very seriously. The Whistle-blowing Policy as well as whistle-blowing communication channel, has been disseminated to all staff via email and also posted on the Company's corporate website. A copy of the Whistle-blowing Policy is also made available at the Company's internal shared drive for staff reference. This is to encourage staff to report any behaviour or action that anyone reasonably believes might be suspicious, against any rules/regulations/accounting standards as well as internal policies. Whistle-blowers can also email members of the ARMC directly at <u>auditcommittee@nera.net</u> in confidence and his/her identity is protected from reprisals within the limits of the law.

The Company treats all information received confidentially and protects the identity and the interest of all whistle-blowers. Anonymous reporting will also be attended to and anonymity honoured.

All newly recruited employees are briefed on the existence of the Policy during their induction programme.

It has also been a standard item in the agenda of the quarterly meeting of the ARMC to review any entries in the register of whistle-blowing, and progress of investigation, if it remains outstanding.

The Whistle-blowing Policy is reviewed by the ARMC once every two (2) years to assess the effectiveness of the processes in place and to ensure that the said policy is updated with any related changes in legal and regulatory requirements. The last review was performed in January 2025.

#### Provision 10.2

#### ARMC Membership

The ARMC comprises the following Directors, all of whom are Non-Executive and the majority, including the Chairman, are independent:<sup>1</sup>

Mr Basil Chan (Chairman)	(Lead Independent Non-Executive Director)
Mr Eric Yu, Ling-Hsiao	(Non-Independent Non-Executive Director, appointed to the ARMC on 28 October 2024)
Mr Raymond Lum Wai Meng	(Independent Non-Executive Director, appointed to the ARMC on 28 October 2024)
Ms Jenny Teng Mui Keow	(Independent Non-Executive Director, appointed to the ARMC on 28 October 2024)

1 Mr Steve Chu, Fu-Chuan was re-designated as the Non-Independent Executive Chairman of the Company with effect from 8 April 2025. Accordingly, with effect from 8 April 2025, Mr Steve Chu, Fu-Chuan stepped down as a member of the ARMC.

During the year under review, the ARMC held five (5) scheduled meetings, which all members at the material time attended.

#### Provision 10.3

#### Expertise of ARMC Members

The ARMC members bring with them invaluable professional expertise in the accounting and financial management domains.

The Chairman of the ARMC, Mr Basil Chan, is a Chartered Accountant and is a fellow member of the Institute of Chartered Accountants in England and Wales ("ICAEW"), a fellow member of the Institute of Singapore Chartered Accountants ("ISCA") and a Fellow of the Singapore Institute of Directors ("FSID"). The other members of the ARMC have many years of experience in business management and finance services. The Board is satisfied that Mr Basil Chan and Mr Raymond Lum Wai Meng, both Chartered Accountants, being members of the ARMC, have recent and relevant accounting or related financial management expertise and experience to discharge the ARMC functions.

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#### Cooling-off Period for Partners or Directors of the Company's Auditing Firm

None of the ARMC members (i) is a former partner or director of the Company's existing auditing firm or auditing corporation in the previous two (2) years and (ii) holds any financial interest in the auditing firm or auditing corporation.

#### Provision 10.4

#### **Internal Auditors**

The ARMC's responsibilities over the Group's internal controls and risk management are complemented by the work of the internal auditors ("IA").

The Company has engaged PricewaterhouseCoopers Risk Services Pte. Ltd. ("PwC") to conduct internal audit reviews based on the plan approved by the ARMC. The ARMC assesses the adequacy of the IA function through the review of PwC's internal audit plan and the quality of its report. The IA has unrestricted access to all the Company's documents, records, properties and personnel, including access to the ARMC. The IA's primary line of reporting is to the Chairman of the ARMC.

#### Internal Audit Function

The Company's internal audit function is independent of the activities it audits. The IA, PwC, is staffed with professionals with relevant qualifications and experience. Our engagement with PwC stipulates that its work shall comply with the PwC's Internal Audit Services Methodology which is aligned with the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

The internal audit was conducted based on a two-year internal audit plan that was approved by the ARMC. The two-year internal audit plan entails a review of the major functions or business units of the Group.

Having reviewed the audit plan of PwC, the ARMC is satisfied that the Company's internal audit function is independent, effective and adequately resourced to perform the work for the Group.

#### Adequacy and Effectiveness of Internal Audit Function

The ARMC reviews the adequacy of the internal audit function to ensure that internal audits are conducted effectively and that Management provides the necessary co-operation to enable the IA to perform its function. The ARMC also reviews the IA's reports and remedial actions implemented by Management. The ARMC was satisfied that the internal audit function was adequate and effective.

#### Provision 10.5

#### Meeting with External and Internal Auditors

During the year, the Company's internal and external auditors were invited to attend the ARMC meetings and make presentations as appropriate. They also met separately with the ARMC without the presence of Management.

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#### SHAREHOLDER RIGHTS AND ENGAGEMENT

#### PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETING

#### Provision 11.1

#### Sufficient Information to Shareholders

The Company believes in providing sufficient and regular information to its shareholders. In this respect, the Board adopts a comprehensive policy to provide clear, timely and fair disclosure of information about the Company's business developments and financial performance that may have a material impact on the price or value of its shares.

#### Providing Opportunity for Shareholders to Participate and Vote at General Meetings

Shareholders are informed of General Meetings through notices published in the newspaper and the Company's announcements via SGXNET and the reports/circulars sent to all shareholders. All resolutions tabled at General Meetings are put to vote by poll voting.

Shareholders are also informed of the rules and voting procedures governing such meetings.

#### Effective Shareholders' Participation

To facilitate shareholders' effective participation at General Meetings, the Company holds its General Meetings at a location which is considered convenient and accessible to shareholders. All shareholders of the Group receive annual report, circulars and notices of all shareholders' meetings. The notices are made available on SGXNET and the Company's corporate website.

The Group fully supports the Code's principle to encourage shareholders' participation in and vote at all the General Meetings. The Company's Constitution allows the appointment of not more than two (2) proxies by shareholders to attend the AGM and vote on their behalf. Shareholders who hold shares through nominees are allowed, upon prior request through their nominees, to attend the General Meetings as proxies without being constrained by the two-proxy requirement.

Shareholders participated in the last AGM in respect of FY2O23 physically at Temasek Club, 131 Rifle Range Road, Singapore 588406, and their questions in relation to any resolution set out in the notice of AGM were sent to the Company in advance of the AGM.

The Company's forthcoming AGM in respect of FY2O24 will be held physically at Temasek Club, 131 Rifle Range Road, Singapore 588406.

#### Provision 11.2

#### Separate Resolutions at General Meetings

At the shareholders' meeting, the Board ensures that separate resolutions are proposed for approval on each distinct issue at General Meetings. Shareholders can vote either in person or through proxies. Where the resolutions are "bundled", the Company explains the reasons and material implications in the notice of meeting.

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#### Proxies for Nominee Companies

The Constitution of the Company allows all shareholders (who are not relevant intermediaries as set out in the Companies Act) to appoint up to two (2) proxies to attend General Meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the Central Provident Fund (CPF) agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at the General Meeting of the Company as their CPF agent banks' proxies.

#### Provision 11.3

#### Attendees at General Meetings

The Chairman of the Board and its committees attend all General Meetings to address issues raised by shareholders. The Company's external auditors are also present to address any relevant queries from shareholders on the conduct of the audit and the preparation and contents of the auditors' report. Appropriate key management executives are also present at the General Meeting to respond, if necessary, to operational questions from shareholders.

The Directors' attendance at the General Meeting can be found on page 44 of this Annual Report.

#### Provision 11.4

The Company, however, has not implemented measures to allow shareholders who are unable to vote in person at the Company's AGM the option to vote in absentia, such as via mail, electronic mail or facsimile transactions as the authentication of shareholder indemnity information and other related security issues remain a concern.

#### Provision 11.5

#### Minutes of General Meetings

The minutes of the General Meeting which incorporate substantial comments or queries from shareholders relating to the agenda of the meeting, response from the Board and Management, are available to shareholders at the registered office of the Company at 19 Tai Seng Avenue, #06-01, Singapore 534054 during normal business hours upon written request. The minutes of General Meeting will be published on the SGXNET and the Company's corporate website at <u>https://www.nera.net/investors/agm-and-egm-minutes</u> within one (1) month after each General Meeting.

#### Provision 11.6

#### **Dividend Policy**

As at the date of this Report, the Company does not have a formal dividend policy in place. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Any payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNET when the Company discloses its financial results.

No dividend was declared or recommended for FY2O24 as the Management plans to conserve cash for the Group's working capital.

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#### PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

#### *Provisions 12.1, 12.2 and 12.3*

#### Communication with Shareholders

In line with the continuous disclosure obligations under the listing rules of the SGX-ST and the Singapore Companies Act 1967, the Board informs shareholders promptly of all major developments that may have material impact on the Group.

The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. Material information on the Group is being released to the public through the Company's announcements via the SGXNET.

#### Timely Information to Shareholders

The Company communicates with its shareholders and the investment community through the timely release of announcements to the SGX-ST via SGXNET including the financial statements announcements of the Company and the Group, which are published through the SGXNET on a half-yearly basis. In between half-yearly financial results, the Company provides business updates to its shareholders to keep them abreast of the Company's development and environment.

In addition, in line with the Company's corporate social responsibility initiatives and sustainability strategy, the Company has implemented the use of electronic communications since year 2021 and shareholders can download its Annual Report from the Company's website. Nevertheless, shareholders who wish to receive a printed copy of the Annual Report could complete and forward the Annual Report Request Form (which could be downloaded from the SGXNET) to the Company within the stipulated timeframe.

Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings.

#### Soliciting and Understanding Views of Shareholders

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's General Meeting. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation.

All resolutions at AGMs are put to vote by poll to allow greater transparency and more equitable participation by shareholders. An independent scrutineer, Corporate Republic Advisory Pte. Ltd., has been appointed by the Company to ensure the satisfactory procedure of the electronic polling process and to direct and supervise the counting of votes during the last Annual General Meeting held in 2024.

#### Regular Dialogue with Shareholders and Investor Relations Policy

General Meetings have been and are still the principal forum for dialogue with shareholders. The Company also communicates with its shareholders, both institutional and retail, on a regular basis. Annual Reports and Notices of the General Meeting are forwarded to all shareholders of the Company.

All Directors, including the Chairman of the ARMC, NC and RC are encouraged to be present at the General Meeting. At the General Meeting, shareholders are given the opportunity to engage the Board and Management on the Group's business activities, financial performance and other business-related matters. To further enhance its communication with investors, the Company maintains a corporate website which includes a dedicated Investor Relations section. (<u>http://www.nera.net/</u>).

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The Chairman, the then-CEO, Chief Financial Officer and all of the Directors were present at the 2024 AGM proceedings, held at Temasek Club, Brani Room, 131 Rifle Range Road, Singapore 588406. The Minutes of the AGM was published on both SGXNET and the Company's website after the AGM.

The Company's website also contains the latest and past annual reports, quarterly results and results' presentation slides as presented to analysts. The Company's Investor Relations contact is also reflected on the website at <a href="https://www.nera.net/investors/ir-contact">https://www.nera.net/investors/ir-contact</a>, to enable shareholders to contact the Company, if required.

#### MANAGING STAKEHOLDERS RELATIONSHIPS

#### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

#### Provisions 13.1 and 13.2

#### Relationship with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long-term future of the Company. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, staff, regulators, shareholders and vendors. During FY2024, the Company's strategy and keys areas of focus in relation to the management of stakeholder relationships can be found under the Sustainability Report on pages 12 to 40 of this Annual Report.

#### Provision 13.3

#### Communications with Stakeholders

The Company has engaged Citigate Dewe Rogerson Singapore Pte Ltd as its Investor Relations consultant. Their contact details are on the website at <u>https://www.nera.net/investors/ir-contact</u>, so stakeholders can contact the Company, if required.

#### OTHER CORPORATE GOVERNANCE MATTERS

The Company has in place internal codes of conduct and practices for its Board members and employees on securities transactions while in possession of price-sensitive information and their conduct of business activities.

#### Dealings in Securities – Rule 1207(19) of the Listing Manual

The Company has adopted a policy on securities dealing by Directors and officers of the Company and its subsidiaries (comprising Directors and Key Personnel) in the form of a Code of Best Practices on Security Dealings (the "Internal Code") to govern and regulate transactions relating to securities in the Company. The Internal Code is based on the best practices on dealings in securities issued by SGX-ST and has been circulated to all relevant parties.

The Company issues circulars informing all relevant parties that they, while in possession of price-sensitive information, must not trade in the listed securities of the Company one month before the announcement of the Company's half year and full year results and ending on the date of the announcement of such results. All relevant parties are also informed not to deal in the Company's securities on short-term considerations.

The Directors are required to notify the Company of any dealings in the Company's securities (during the open window period) within two (2) business days of the transactions. The Board is satisfied with the Group's commitment in compliance with the Internal Code.

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The Directors and Senior Management are aware, and a new Director or Senior Management staff will be briefed, that the Company should comply with the best practice pursuant to Rule 1207(19)(c) of the Listing Manual in not dealing in its securities during the restricted trading periods. The Company has complied with Rule 1207(19)(c) of the Listing Manual.

#### Material Contracts

Pursuant to Rule 1207(8) of the Listing Manual, no material contract had been entered into by the Company or its subsidiaries involving the interests of the then-CEO, each Director or Controlling Shareholder.

#### Interested Persons Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported to the ARMC and the transactions are carried out at arm's length and under normal commercial terms. For FY2024, there was one (1) interested person transaction carried out with Ennoconn Solutions Singapore Pte. Ltd. ("Ennoconn Solutions"), the Company's direct majority shareholder, where the Company had received from Ennoconn Solutions service fees of S\$40,000 in December 2024 for corporate services provided by the Company to Ennoconn Solutions. There are no other interested person transactions for FY2024.

Following the acquisition of approximately 53.38% of the issued shares of the Company from Asia Systems Ltd. and the resulting mandatory unconditional cash offer, Ennoconn Corporation ("Ennoconn") holds approximately 63.77% of the issued shares of the Company through its wholly owned subsidiary, Ennoconn Solutions.

It is anticipated that, with the Company having become a subsidiary of Ennoconn 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 Ennoconn and its subsidiaries (but excluding the Group) (the "Ennoconn Group") as well as Hon Hai Precision Industry Co., Ltd. ("Hon Hai") and its subsidiaries. Hon Hai is deemed to have an interest in 63.77% of the issued shares of the Company in which Ennoconn has an interest.

At the upcoming extraordinary general meeting to be held on 29 April 2025 (the "EGM"), the Company will be seeking to obtain shareholders' approval for a general mandate for the Company, its subsidiaries and its associated companies that are not listed on the SGX-ST or an approved exchange over which the Group and/or its interested persons have control, to enter into transactions with Ennoconn and Hon Hai and their respective associates ("IPT General Mandate"). A circular dated 14 April 2025 setting out (among other things) the relevant interested persons and the categories of the interested person transactions that are covered by the IPT General Mandate, as well as the notice of EGM, has been despatched to shareholders.

The entry into the mandated interested person transactions ("Mandated Transactions") is subject to compliance with the review procedures under the IPT General Mandate. The purpose of the review procedures is to ensure that any Mandated Transaction will be entered into on arm's length and normal commercial terms, and will not be prejudicial to the interests of the Company and minority shareholders.

The IPT General Mandate is subject to annual renewal by the shareholders. Given that such Mandated Transactions are expected to occur with some degree of frequency and may arise at any time, and to allow the Group to undertake such transactions in an expeditious manner, shareholders' approval will be sought at subsequent AGMs for the renewal of the IPT General Mandate.

All other interested person transactions that do not fall within the IPT General Mandate will be subject to review by the Audit and Risk Management Committee to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and minority shareholders.

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#### CODE OF CONDUCT AND PRACTICES

The Group recognises the importance of integrity and professionalism on the conduct of its business activities. Employees are expected to embrace, practice and adopt these values while performing their duties and always act in the best interests of the Group and avoid situations that may create conflicts of interest.
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The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of Nera Telecommunications Ltd (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheets and statements of changes in equity of the Company for the financial year ended 31 December 2024.

#### 1. Opinion of the Directors

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the balance sheets and statements of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due. The Directors have reviewed the cash flow forecast prepared by management and are of the view that the Group will have sufficient net positive cash flow to satisfy its working capital requirements and to meet its obligation as and when they fall due.

#### 2. Directors

The Directors of the Company in office at the date of this statement are:

Chu, Fu-Chuan	(Executive Chairman and Executive Director, re-designated with effect from 8 April 2025, first appointed as Non-Independent Non-Executive Chairman on 28 October 2024)
Basil Chan	(Lead Independent Non-Executive Director)
Yu, Ling-Hsiao	(Non-Independent Non-Executive Director, appointed on 28 October 2024)
Jenny Teng Mui Keow	(Independent Non-Executive Director, appointed on 28 October 2024)
Lum Wai Meng	(Independent Non-Executive Director, appointed on 28 October 2024)

#### 3. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

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#### 4. Directors' interests in shares and debentures

The following Director, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations as stated below:

	Direct	interest	Deemed	l interest
	At the	At the	At the	At the
	beginning of	end of	beginning of	end of
Name of Director	financial year	financial year	financial year	financial year
Nera (Philippines), Inc.				
Ordinary shares of Peso 100 each				
Chong Hoi Ming	1*	1*	-	_
Nera Telecommunications (Pakistan) Private Limited				
Ordinary shares of 100 Pakistan Rupees each				
Chong Hoi Ming	1*	1*	_	_
Nera (Thailand) Limited				
Preference shares of 100 Thai Baht each				
Chong Hoi Ming	1*	1*	-	-

\* Shares are held in trust for the Company.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and on 21 January 2025.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year or on 21 January 2025.

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#### 5. Share plan

The Nera Telecommunications Performance Share Plan 2014 ("NeraTel PSP 2014") approved by shareholders on 29 April 2014 has expired. There were no shares granted under the NeraTel PSP 2014 during the financial year prior to its expiry.

#### 6. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors
- Reviewed the quarterly financial information and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditor
- Met with the external and internal auditors, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators

Further details regarding the ARMC are disclosed in the Corporate Governance Report.

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### 7. Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

Chu, Fu-Chuan Director

Basil Chan Director

Singapore 11 April 2025



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Nera Telecommunications Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2024, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheets and the statements of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) SFRS(I) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### **Basis for opinion**

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### Key audit matters (cont'd)

#### Revenue recognition

The Group recognises revenue from contracts by reference to the stage of completion of the respective contract activity (i.e., performance obligations) of its projects at the end of each reporting period. The stage of completion is measured by reference to the cost incurred to date relative to the total estimated cost to satisfy the performance obligation. These assessments required management to apply significant judgment and make assumptions and estimates in measuring costs incurred for each performance obligation, total budgeted contract cost and remaining cost to completion. The subjectivity and complexity involved in these assessments can significantly impact the results of the Group. Accordingly, we have determined this to be a key audit matter.

Our audit procedures included, amongst others:

- Evaluated the design and tested the effectiveness of selected internal controls with respect to project management, project cost estimation and budgeting process, and accounting for revenue from contracts.
- Evaluated the Group's procedures and processes for recognising revenue from contracts with customers. We assessed the basis for the identification of performance obligations and whether they are satisfied over time or at a point in time. Our assessment includes examining project documents and reviewing, on a sample basis, contractual terms and conditions and discussed with management on the performance obligations identified.
- Assessed contract revenues recognised and project costs incurred, on a sample basis, by comparing
  against the relevant contracts and supporting documents such as sales invoices, customer acceptance
  and supplier invoices.
- Evaluated the key inputs used by management in their estimation of the total cost to complete, on a sample basis, by comparing to supporting documentation such as supplier quotations.
- Assessed the arithmetic accuracy of the revenue and profit recognised based on the stage of completion calculations made for individually significant projects.
- Discussed with management, finance or project heads the progress of significant outstanding projects to understand if there are any known disputes, variation order claims, technical issues or other significant developments and events that could impact the estimated costs to complete the projects.
- Assessed whether the estimates showed any evidence of management bias based on our assessment
  of the historical accuracy of management's estimates in previous periods, identification and analysis
  of changes in assumptions from prior periods, and assessed the consistency of assumptions across
  projects.
- Evaluated the presentation and assessed the adequacy of the disclosure of material accounting policies for revenue from contracts with customers, judgment and methods used in estimating revenue, contract assets, contract liabilities, capitalised contract costs, and transaction price allocated to remaining performance obligation.



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### Key audit matters (cont'd)

#### Recoverability of trade receivables and contract assets

Trade receivables and contract asset balances were significant to the Group and the Company as they represent 51% and 29% of the total assets of the balance sheets of the Group and the Company respectively. The Group's trade receivables and contract assets amounted to \$37,978,000 and \$17,869,000 respectively as at 31 December 2024, against which an allowance for expected credit loss ("ECL") and impairment of \$2,640,000 and \$2,877,000 had been made respectively. As at 31 December 2024, 20% of the trade receivables are aged more than 90 days. The Company's trade receivables and contract assets amounted to \$13,586,000 and \$7,755,000 respectively as at 31 December 2024, against which an allowance for ECL and impairment of \$186,000 and \$2,072,000 had been made respectively. As at 31 December 2024, 27% of the trade receivables are aged more than 90 days.

The collectability of trade receivables is a key element of the Group's working capital management. Managed on an ongoing basis by local management under the oversight of Group management, the terms of the Group's contracts with customers are complex and could lead to disputes with customers, resulting in long overdue trade receivables.

The Group determines ECL and impairment of trade receivables and contract assets by making debtor-specific assessment of expected impairment loss for long overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, adjusted for current and forward-looking information specific to the debtors and economic environment. Management has considered various factors such as past due balances, recent historical payment patterns and credit loss patterns over a period, debtors' financial ability to repay, existence of disputes, economic environment and forecast of future macro-economic conditions where the debtors operate, and any other available information concerning the creditworthiness of debtors. These assessments required management to apply significant judgment and accordingly, we determined that this is a key audit matter.

Our audit procedures included, amongst others:

- Assessed the Group's processes and controls relating to the monitoring of aged trade receivables and contract assets to identify collection risks.
- Evaluated management's assumptions and inputs used in the computation of historical credit loss rates and reviewed the data and information that management has used to make forward-looking adjustments.
- Requested for confirmations and checked for evidence of receipts subsequent to the year end from selected customers.
- We assessed management's assumptions used to determine expected impairment loss for long overdue trade receivables, through analyses of ageing of receivables to identify collection risk, reviewing historical payment patterns and correspondences with customers on expected settlement dates, taking into consideration of their specific profiles and risks.
- Checked the arithmetic accuracy of management's computation of ECL and impairment.
- Assessed the adequacy of the disclosures on the trade receivables, contract assets, expected credit losses and the related risks such as credit risk and liquidity risk in Note 9 Trade receivables and Note 33 Financial risk management objectives and policies.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud
or error, design and perform audit procedures responsive to those risks, and obtain audit evidence
that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material
misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve
collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### Auditor's responsibilities for the audit of the financial statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting
  and, based on the audit evidence obtained, whether a material uncertainty exists related to events or
  conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we
  conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to
  the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our
  opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
  However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by that subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ong Beng Lee, Ken.

Ernst & Young LLP Public Accountants and Chartered Accountants

Singapore 11 April 2025

### **BALANCE SHEETS** AS AT 31 DECEMBER 2024

		Gro	oup	Company		
	Note	2024	2023	2024	2023	
		\$′000	\$'000	\$'000	\$'000	
Non-current assets						
Property, plant and equipment	4	2,686	4,777	1,332	1,741	
Right-of-use assets	16	4,022	4,459	3,147	3,964	
Intangible assets	5	430	568	419	548	
Investments in subsidiaries	6	_	_	7,754	7,754	
Long term other receivables	10	243	199	-	-	
Deferred tax assets	24	5,148	4,044	2,442	2,128	
		12,529	14,047	15,094	16,135	
Current assets						
Stocks	7	4,859	5,401	4,438	5,096	
Contract assets	8	17,869	22,062	7,755	9,760	
Trade receivables	9	37,978	42,979	13,586	12,408	
Other receivables, deposits and						
prepayments	10	22,918	21,716	19,283	20,085	
Amounts due from subsidiaries						
– trade	11	_	_	635	3,988	
– non-trade	11	-	-	6,130	6,682	
Fixed deposits	27	3,708	4,220	3,708	4,220	
Cash and bank balances	27	10,591	16,402	2,649	7,909	
		97,923	112,780	58,184	70,148	
Current liabilities						
Trade payables	12	20,733	28,292	6,294	10,527	
Other payables and accruals	13	6,247	6,911	2,900	3,479	
Contract liabilities	8	25,677	25,080	20,033	19,407	
Amounts due to subsidiaries	11	_0,011	_0,000	20,000	,	
- trade		_	_	53	17	
– non-trade	11	_	_	27	446	
Short-term borrowings	15	9,108	11,997	7,822	11,997	
Lease liabilities	16	1,679	1,547	1,258	1,129	
Provision for taxation		279	946	_	-	
Provision for warranty	14	490	491	407	417	
		64,213	75,264	38,794	47,419	
Net current assets		33,710	37,516	19,390	22,729	
Non-current liabilities					· · · · · · · · · · · · · · · · · · ·	
Lease liabilities	16	3,724	4,404	3,202	4,267	
Defined benefit obligation	37	605	582	_	-	
		4,329	4,986	3,202	4,267	
Net assets		41,910	46,577	31,282	34,597	
Equity attributable to owners of the Company						
Share capital	17	29,909	29,909	29,909	29,909	
Revenue reserve	17	12,774	17,388	1,373	4,688	
Translation reserve	18	(1,468)	(1,463)		-,000	
Other reserve	10	695	743	_	_	
		41,910	46,577	31,282	34,597	
		41,310	40,077	01,202	04,007	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 \$'000	2023 \$'000
Revenue	8	98,245	141,688
Cost of sales		(73,837)	(110,451)
Gross profit		24,408	31,237
Distribution and selling expenses		(14,656)	(16,537)
Administrative expenses		(12,372)	(14,060)
Other (expenses)/income	19	(1,160)	3,935
(Loss)/profit from operating activities	20	(3,780)	4,575
Finance income	22	354	262
Finance expenses	23	(544)	(1,155)
(Loss)/profit before tax		(3,970)	3,682
Tax	24	1,165	1,989
(Loss)/profit after tax		(2,805)	5,671
<b>Other comprehensive loss:</b> <i>Items that may be reclassified subsequently to profit or loss</i> Foreign currency translation of financial statements of			
foreign operations Items that will not be reclassified to profit or loss		(5)	(419)
Remeasurement of defined benefit obligation		(48)	260
Other comprehensive loss for the year, net of tax		(53)	(159)
Total comprehensive (loss)/income for the year attributable to owners of the Company		(2,858)	5,512
Earnings per share attributable to owners of the Company (cents per share)			0,012
Basic	25(a)	(0.78)	1.57
Diluted	25(a)	(0.78)	1.57

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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# STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	Share capital (Note 17)	Attributable Revenue reserve	to owners of t Translation reserve (Note 18)	he Company Other reserve	Total equity
	\$'000	\$′000	\$'000	\$'000	\$′000
Group					
At 1 January 2024	29,909	17,388	(1,463)	743	46,577
Loss for the year	_	(2,805)	_	_	(2,805)
Other comprehensive loss for					
the year	_	_	(5)	(48)	(53)
Total comprehensive loss for the year	-	(2,805)	(5)	(48)	(2,858)
Contributions by and distributions					
to owners					(
Dividends (Note 26)		(1,809)			(1,809)
Total contributions by and distributions					
to owners		(1,809)			(1,809)
At 31 December 2024	29,909	12,774	(1,468)	695	41,910
At 1 January 2023	29,909	11,717	(1,044)	483	41,065
Profit for the year	_	5,671	_	_	5,671
Other comprehensive (loss)/income for					
the year	_	_	(419)	260	(159)
Total comprehensive income/(loss) for					
the year		5,671	(419)	260	5,512
Total contributions by and distributions					
to owners		5,671	(419)	260	5,512
At 31 December 2023	29,909	17,388	(1,463)	743	46,577

	Attributable to owners of the Company			
	Share capital \$'000	Revenue reserve \$'000	Total equity \$'000	
Company				
At 1 January 2024	29,909	4,688	34,597	
Loss for the year	_	(1,506)	(1,506)	
Total comprehensive loss for the year Contributions by and distributions to owners	-	(1,506)	(1,506)	
Dividends (Note 26)	_	(1,809)	(1,809)	
Total contributions by and distributions to owners		(1,809)	(1,809)	
At 31 December 2024	29,909	1,373	31,282	
At 1 January 2023	29,909	(12,337)	17,572	
Profit for the year	_	17,025	17,025	
Total comprehensive income for the year	_	17,025	17,025	
Total contributions by and distributions to owners		17,025	17,025	
At 31 December 2023	29,909	4,688	34,597	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# CONSOLIDATED CASH FLOW STATEMENT

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	AL .	Group		
	Note	2024 \$'000	2023 \$'000	
flows from operating activities				
s)/profit before tax		(3,970)	3,682	
stments for:	-	10.0	0.40	
ortisation of intangible asset	5	138	240 24	
d debts written off preciation of property, plant and equipment	20 4	68 619	24 1,092	
preciation of right-of-use assets	16	1,598	1,490	
erest expense	23	544	1,155	
erest income	22	(354)	(262)	
eign exchange loss/(gain), net – forward currency contracts	19	106	(54)	
pairment of property, plant and equipment	19	1,696	-	
t gain on disposal of property, plant and equipment	20	(6)	(5,754)	
t allowance for contract assets	8	(77)	327	
ocks write-down t allowance for doubtful trade debts	7 8	6 (94)	 120	
t provision for warranty	o 14	406	517	
nsion cost	14	175	361	
ating cash flows before changes in working capital		855	2,938	
ease/(increase) in:		000	2,000	
ocks		481	6,545	
ntract assets		4,527	13,385	
de receivables		5,734	4,502	
ner receivables, deposits and prepayments		(1,509)	628	
ase/(decrease) in:		(7,000)	(10,000)	
de payables		(7,808) (1,049)	(10,620) (3,422)	
ner payables and accruals ntract liabilities		484	(5,366)	
vision for warranty		(407)	(505)	
gn exchange loss/(gain), net – forward currency contracts	19	106	(54)	
alised foreign exchange (gain)/loss, net	19	(782)	1,470	
generated from operations		632	9,501	
ne tax paid		(396)	(920)	
est paid		(235)	(602)	
fits paid out from pension fund	37	(13)	(71)	
cash flows (used in)/generated from operating activities		(12)	7,908	
flows from investing activities				
eeds from disposal of property, plant and equipment		21	6,370	
nase of property, plant and equipment	4	(278)	(1,348)	
nase of intangible assets	5	_	(75)	
est received		424	192	
cash flows generated from investing activities		167	5,139	
flows from financing activities				
ends paid to shareholders of the Company		(1,809)	-	
ease in deposits pledged		109	-	
eeds from bank loans		5,000	9,000	
ased in trade line		611 (8 500)	2,497 (20,500)	
yment of bank loans yment of lease liabilities		(8,500) (1,986)	(20,500) (963)	
cash flows used in financing activities		(6,575)	(9,966)	
-				
decrease)/increase in cash and cash equivalents		(6,420)	3,081 (664)	
t of exchange rates changes on cash and bank balances and cash equivalents at beginning of the year		206 20,503	(664) 18,086	
	27			
and cash equivalents at end of the year	27	14,289	20,503	

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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#### 1. Corporate information

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

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

The principal activities of the Company are to engage in the sale, distribution, design, engineering, servicing, installation and maintenance of telecommunication systems and products in transmission networks and information technology networks. The principal activities of the subsidiaries are shown in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

#### 2. Material accounting policies information

#### 2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

The Group incurred a net loss of \$2,805,000 for the financial year ended 31 December 2024 (net profit of \$5,671,000 for the financial year ended 31 December 2023). Operating cash outflows was \$12,000 for the year ended 31 December 2024 (cash inflows for the year ended 31 December 2023: \$7,908,000). As of 31 December 2024, the Group had net assets of \$41,910,000 (2023: \$46,577,000) and net current assets of \$33,710,000 (2023: \$37,516,000).

The financial statements have been prepared on a going concern basis. The ability of the Group to continue as a going concern depends on the ability of the Group to renew or obtain short terms borrowings from the banks. Management has prepared a cash flow forecast and is of the view that the Group will have sufficient net positive cash flow to satisfy its working capital requirements and to meet its obligation as and when they fall due.

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

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

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### 2. Material accounting policies information (cont'd)

#### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets	
between an Investor and its Associate or Joint Venture	To be determined
Amendments to SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments SFRS(I) 9, SFRS(I) 7: Amendments to SFRS(I) 9 and SFRS(I) 7:	
Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to SFRS(I) 1, SFRS(I) 7, SFRS(I) 9, SFRS(I) 10 and SFRS(I) 1-7 : Annual	
Improvements to SFRS(I)s — Volume 11	1 January 2026
Amendments to SFRS(I) 19: Subsidiaries without Public Accountability: Disclosure	s 1 January 2027
Amendments SFRS(I) 9, SFRS(I) 7: Amendments to SFRS(I) 9 and SFRS(I) 7:	
Contracts Referencing Nature-dependent Electricity	1 January 2026

The Directors expect that the adoption of the above standards will have no material impact on the financial statements in the year of initial application.

#### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

### 2. Material accounting policies information (cont'd)

### 2.4 Basis of consolidation (cont'd)

- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### 2.5 Foreign currency

The consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign subsidiaries, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on divestiture of the subsidiary.

### (b) Consolidated financial statements

On consolidation, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their profit or loss are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to other comprehensive income. On divestiture of a foreign subsidiary, the deferred cumulative amount recognised in other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

#### 2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

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#### 2. Material accounting policies information (cont'd)

#### 2.7 Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and right-of-use assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

#### 2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, leasehold building, leasehold improvements, plant and other equipment, furniture and fittings, motor vehicles and equipment held for leasing are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	_	10 years
Plant and other equipment	-	3 to 7 years
Furniture and fittings	-	5 to 10 years
Motor vehicles	_	5 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

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#### 2. Material accounting policies information (cont'd)

#### 2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

#### Brand

"NERA" brand name which was acquired, is capitalised and amortised on a straight-line basis over a useful life of 20 years. It is tested for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation period and method are reviewed at each financial year end.

#### Acquired computer software licences

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised on a straight-line basis over their useful lives of 3 to 5 years.

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#### 2. Material accounting policies information (cont'd)

#### 2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

#### 2.11 Financial instruments

#### (a) Financial assets

#### Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

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### 2. Material accounting policies information (cont'd)

#### 2.11 Financial instruments (cont'd)

(a) Financial assets (cont'd)

#### Subsequent measurement

#### Investment in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The two measurement categories for classification of debt instruments are:

#### (i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

#### (ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

#### Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

#### De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

#### (b) Financial liabilities

#### Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### 2. Material accounting policies information (cont'd)

#### 2.11 Financial instruments (cont'd)

#### (b) Financial liabilities (cont'd)

#### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

#### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

#### 2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

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#### 2. Material accounting policies information (cont'd)

#### 2.14 Stocks

Stocks are stated at the lower of cost and net realisable value and include all costs in bringing the stocks to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of stocks to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### 2.15 Provisions

#### General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service is provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

#### 2.16 Employee benefits

#### (a) **Defined contribution plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Malaysian companies in the Group make contributions to the Central Provident Fund and Employees Provident Fund schemes respectively, which are defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) Defined benefit plans

The net defined benefit liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### 2. Material accounting policies information (cont'd)

#### 2.16 Employee benefits (cont'd)

#### (b) Defined benefit plans (cont'd)

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

#### (c) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### 2. Material accounting policies information (cont'd)

#### 2.17 Leases

#### (a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### (i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and other equipment - 1 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

#### (ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately in the balance sheet.

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### 2. Material accounting policies information (cont'd)

#### 2.17 Leases (cont'd)

(a) As lessee (cont'd)

#### (iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### 2.18 Revenue

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

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

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

The Group supplies and installs network equipment. The sale of equipment and rendering of installation service are either sold separately or in a bundled contract. For bundled contracts, the Group accounts for the sale of equipment and installation service separately. The transaction price is allocated to the sale of equipment and installation service based on their relative stand-alone selling prices. See Note 2.18(b) for the revenue recognition relating to the installation services. For sale of equipment, revenue is recognised upon delivery of equipment and criteria for acceptance being satisfied.

#### (b) Rendering of services

#### (i) **Professional services**

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



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### 2. Material accounting policies information (cont'd)

#### 2.18 Revenue (cont'd)

#### (b) *Rendering of services (cont'd)*

#### (ii) Maintenance services

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

#### (c) Turnkey project

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

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

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

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

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

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

#### 2. Material accounting policies information (cont'd)

#### 2.19 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, it may be presented as a credit in profit or loss, either separately or under a general heading such as "Other Income". Alternatively, they are deducted in reporting the related expenses.

#### 2.20 Income taxes

#### (a) *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

 when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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#### 2. Material accounting policies information (cont'd)

#### 2.20 Income taxes (cont'd)

#### (b) Deferred tax (cont'd)

 in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

#### (c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- when receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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### 2. Material accounting policies information (cont'd)

#### 2.21 Derivative financial instruments

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to profit or loss for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

#### 2.22 Segment reporting

For management purposes, the Group is organised on a world-wide basis into two major operating businesses (divisions) which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment manager report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

Segment accounting policies are the same as the policies of the Group as disclosed in the preceding paragraphs. The Group generally accounts for inter-segment sales transfers as if the sales or transfers were to third parties at current market prices.

#### 2.23 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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#### 3. Significant accounting judgments and estimates

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

#### 3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's tax payables and net deferred tax assets at 31 December 2024 are \$279,000 (2023: \$946,000) and \$5,148,000 (2023: \$4,044,000) respectively.

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (i) *Revenue from contracts*

The Group recognises revenue from contracts by reference to the stage of completion of the respective contract activity (i.e., performance obligations) of its projects at the end of each reporting period. The stage of completion is measured by reference to the cost incurred to date relative to the total estimated cost to satisfy the performance obligation. These assessments required management to apply significant judgment and to make assumptions and estimates in measuring costs incurred for each performance obligation, total budgeted contract cost and remaining cost to completion.

The carrying amounts of the assets and liabilities from contracts arising at the end of each reporting period are disclosed in Note 8 to the financial statements.



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#### 3. Significant accounting judgments and estimates (cont'd)

#### 3.2 Key sources of estimation uncertainty (cont'd)

#### (ii) *Recoverability of trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 9.

The carrying amount of trade receivables and contract assets as at 31 December 2024 are \$37,978,000 and \$17,869,000 (2023: \$42,979,000 and \$22,062,000) respectively.

#### (iii) Provision for warranty

The Group recognises provision for warranty when the product is sold or service is provided. Initial recognition is based on past experience of the level of repairs and returns. Assumptions used to calculate the provision for warranty were based on current sales level and current information available about the expected warranty claims. The Group's provisions for warranty at 31 December 2024 was \$490,000 (2023: \$491,000). The warranty provision will be reversed if not utilised upon expiry of warranty period.



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### 4. Property, plant and equipment

	Leasehold improvements \$'000	Plant and other equipment \$'000	Furniture and fittings \$'000	Motor vehicles \$'000	Assets under construction \$'000	Total \$'000
Group						
Cost						
At 1 January 2023	1,502	4,134	804	551	3,701	10,692
Additions	923	354	95	-	-	1,372
Disposals/written off	(773)	(941)	(283)	(162)	(549)	(2,708)
Reclassification	868	-	-	-	(868)	-
Currency realignment	(16)	(51)	(10)	(22)	(29)	(128)
At 31 December 2023 and	d					
1 January 2024	2,504	3,496	606	367	2,255	9,228
Additions	154	75	55	-	-	284
Disposals/written off	(672)	(197)	(123)	(16)	-	(1,008)
Currency realignment	(3)	(8)	5	2	(28)	(32)
At 31 December 2024	1,983	3,366	543	353	2,227	8,472
Accumulated						
depreciation and						
impairment						
At 1 January 2023	1,381	2,947	639	528	-	5,495
Charge for the year	423	574	87	8	-	1,092
Disposals/written off	(745)	(890)	(268)	(146)	-	(2,049)
Currency realignment	(17)	(36)	(11)	(23)		(87)
At 31 December 2023 and	d					
1 January 2024	1,042	2,595	447	367	_	4,451
Charge for the year	370	171	78	_	_	619
Impairment	_	_	_	_	1,696	1,696
Disposals/written off	(672)	(195)	(110)	(16)	-	(993)
Currency realignment	(7)	(1)	5	2	14	13
At 31 December 2024	733	2,570	420	353	1,710	5,786
Net carrying amount						
At 31 December 2023	1,462	901	159		2,255	4,777
At 31 December 2024	1,250	796	123		517	2,686

During the year, the Group acquired property, plant and equipment with an aggregate cost of \$284,000 (2023: \$1,372,000). The cash outflow on acquisition of property, plant and equipment amounted to \$278,000 (2023: \$1,348,000). The remaining amount of \$6,000 (2023: \$24,000) is unpaid as at year end and is recorded in other payables.

During the financial year, the group impaired assets under construction of a foreign subsidiary amounting to \$1,696,000.



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### 4. Property, plant and equipment (cont'd)

		Plant and				
	Leasehold	other	Furniture	Motor	Assets under	
	improvements	equipment	and fittings	vehicles	construction	Total
	\$'000	\$'000	\$'000	\$′000	\$'000	\$'000
Company						
Cost						
At 1 January 2023	773	1,054	295	223	868	3,213
Additions	923	279	79	_	-	1,281
Disposals/written off	(773)	(508)	(283)	(160)	-	(1,724)
Reclassification	868				(868)	-
At 31 December 2023 and	k					
1 January 2024	1,791	825	91	63	_	2,770
Additions		9				9
At 31 December 2024	1,791	834	91	63		2,779
Accumulated						
depreciation and						
impairment						
At 1 January 2023	745	989	276	200	-	2,210
Charge for the year	341	64	17	8	-	430
Disposals/written off	(745)	(456)	(265)	(145)		(1,611)
At 31 December 2023 and	k					
1 January 2024	341	597	28	63	_	1,029
Charge for the year	341	60	17			418
At 31 December 2024	682	657	45	63	_	1,447
Net carrying amount						
At 31 December 2023	1,450	228	63			1,741
At 31 December 2024	1,109	177	46			1,332



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### 5. Intangible assets

	Brand \$'000	Software \$'000	Total \$'000
Group			
Cost			
At 1 January 2023	1,289	554	1,843
Additions	-	75	75
Currency realignment		(10)	(10)
At 31 December 2023 and 1 January 2024	1,289	619	1,908
Currency realignment		4	4
At 31 December 2024	1,289	623	1,912
Accumulated amortisation			
At 1 January 2023	774	335	1,109
Amortisation	65	175	240
Currency realignment		(9)	(9)
At 31 December 2023 and 1 January 2024	839	501	1,340
Amortisation	64	74	138
Currency realignment		4	4
At 31 December 2024	903	579	1,482
Net carrying amount			
At 31 December 2023	450	118	568
At 31 December 2024	386	44	430
	Brand	Software	Total
	\$'000	\$'000	\$'000
Company			
Cost			
At 1 January 2023	1,289	365	1,654
Additions	_	50	50
At 31 December 2023 and 31 December 2024	1,289	415	1,704
Accumulated amortisation			
At 1 January 2023	774	197	971
Amortisation	65	120	185
At 31 December 2023 and 1 January 2024	839	317	1,156
Amortisation	64	65	129
At 31 December 2024	903	382	1,285
Net carrying amount			
At 31 December 2023	450	98	548
At 31 December 2024	386	33	419
			419



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#### 5. Intangible assets (cont'd)

Brand relates to the 'NERA' brand and the useful life is estimated to be 20 years. The remaining amortisation period is 6 years.

Software relates to acquired computer software licences and the useful life is estimated to be 3 to 5 years.

Amortisation expense is recorded in 'Administrative expenses' line item in profit and loss.

#### 6. Investments in subsidiaries

Company	
2024 \$'000	2023 \$'000
5,869	5,869
5,643	5,643
21,784	21,784
(25,542)	(25,542)
7,754	7,754
25,542	5,651
	19,891
25,542	25,542
	2024 \$'000 5,869 5,643 21,784 (25,542) 7,754 25,542 

Loan to a subsidiary which form part of the Company's net investments in subsidiaries, is unsecured, bear interest rates of 6.18% (2023: 6.99%) and settlement is neither planned nor likely to occur in the foreseeable future. As the amounts are, in substance, a part of the Company's net investment in subsidiaries, they are stated at cost less impairment losses.

During financial year 2023, the Company has converted the outstanding debt due from P.T. Nera Indonesia amounting to \$5,643,000 into 3,890 shares in P.T. Nera Indonesia.

In previous year, impairment losses of \$19,784,000 was recognised to write-down the loan to subsidiary.


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### 6. Investments in subsidiaries (cont'd)

The details and the principal activities of the subsidiaries are:

Name of company	Principal activity	Country of incorporation and place of business	Percen equity i 2024	-		st of tment 2023
			%	%	\$′000	\$'000
Nera Networks (S) Pte Ltd (ß)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communication and information technology networks	Singapore	100	100	1,000	1,000
Nera (Thailand) Limited (*) (ii)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Thailand	100	100	1,406	1,406
Nera (Philippines), Inc. (*)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Philippines	100	100	1,128	1,128
Nera Infocom (M) Sdn.Bhd. (*)	Sales, installation and maintenance of information technology equipment	Malaysia	100	100	225	225
P.T. Nera Indonesia (*)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Indonesia	100	100	5,990	5,990
Nera Telecommunications (Australia) Pty Ltd (#)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Australia	100	100	589	589



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### 6. Investments in subsidiaries (cont'd)

Name of company	Principal activity	Country of incorporation and place of business	Percen equity i			st of tment
		20011000	2024	2023	2024	2023
			%	%	\$'000	\$'000
Nera Telecommunications (India) Pvt. Ltd. (#)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	India	100	100	570	570
Nera (Malaysia) Sdn.Bhd. (*)	Sales, installation and maintenance of communications equipment	Malaysia	100	100	404	404
Nera Telecommunications (Myanmar) Company Limited (#)	Service, maintenance and leasing	Myanmar	100	100	133	133
Nera Telecommunications (Vietnam) Co., Ltd. (#)	Installation, maintenance, service and repair of info-communications and telecommunications equipment	Vietnam	100	100	67	67
					11,512	11,512
Held through Nera Network	<s (s)="" ltd<="" pte="" td=""><td></td><td></td><td></td><td></td><td></td></s>					
Nera Telecommunications AS (#) (i)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Norway	100	100	-	-
Nera Telecommunications Maroc S.A.R.L AU (**) (i)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Morocco	100	100	-	_



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### 6. Investments in subsidiaries (cont'd)

		Country of incorporation and place of	Percen	itage of	Cos	st of
Name of company	Principal activity	business		interest		tment
			2024	2023	2024	2023
			%	%	\$'000	\$'000
Held through Nera Network	ks (S) Pte Ltd (cont'd)					
Nera Telecommunications (Pakistan) (Private) Limited (#) (i)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Pakistan	100	100	-	_
Nera Telecommunications FZ-LLC (#) (i)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	United Arab Emirates	100	100	-	_
Nera Networks Nigeria Limited (#) (i, iv)	Sales and distribution, design, engineering, servicing, installation and maintenance of transmission networks, satellite communications and information technology networks	Nigeria	-	100	-	-
Nera Telecommunications Holding (Thailand) Co., Ltd. (#) (i) (iii)	Investment holding	Thailand	100	100	_	-

(ß) Audited by Ernst & Young LLP, Singapore.

(\*) Audited by member firms of Ernst & Young Global in the respective countries.

(#) Audited by other CPA firms in the respective countries.

(#) Addited by other CPA firms in the respective co

(\*\*) No requirement for statutory audit.

(i) Cost of investment is not stated as the subsidiaries are not directly held by the Company (Nera Telecommunications Ltd).

 The Company holds 49% of the ordinary shares in the subsidiary while the remaining 51% preference shares is held by its subsidiary, Nera Telecommunications Holdings (Thailand) Co. Ltd.

(iii) The Group holds 49% of the ordinary shares in the subsidiary while the remaining 51% is held by a preference shareholder. The preference shareholder is entitled to one vote per 30 shares held, fixed non-cumulative preferred dividend at a rate of 1% of paid-up value of the shares and has preferred right to receive such dividend and paid-up value prior to ordinary shares. Nera Telecommunications Holding (Thailand) Co., Ltd. is treated as a subsidiary of the Group as the Group has majority voting rights.

(iv) As of 31 December 2024, the Company has been wound up.

As required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Audit and Risk Management Committee and the Board of Directors of the Company have satisfied themselves that the appointment of different auditors for its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

In previous year, impairment losses of \$107,000 was recognised to write-down the investment in Nera Telecommunications (Australia) Pty Ltd.

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### 7. Stocks

	Group		Com	any	
	2024	2023	2024	2023	
	\$′000	\$'000	\$'000	\$'000	
Network equipment	4,859	5,401	4,438	5,096	

At 31 December 2024, stocks recognised as an expense in the consolidated statement of comprehensive income under line item "Cost of sales" for the Group amounted to \$35,403,000 (2023: \$47,137,000) inclusive of stocks write-down of \$6,000 (2023: nil).

### 8. Revenue

### (a) Disaggregation of revenue

Segments	W	WIN NI Total		NI		evenue
•	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$′000	\$'000	\$'000
Primary geographical markets						
Singapore	1,246	3,093	48,938	58,286	50,184	61,379
Indonesia	2,154	3,611	11,462	27,139	13,616	30,750
Malaysia	3,197	2,941	15,350	20,284	18,547	23,225
Philippines	206	762	296	1,090	502	1,852
Thailand	914	1,180	1,230	1,501	2,144	2,681
EMEA countries	10,351	15,198	1,606	5,061	11,957	20,259
Others	1,295	1,530		12	1,295	1,542
	19,363	28,315	78,882	113,373	98,245	141,688
Major product or service lines						
Sale and installation of						
network equipment	2,708	7,105	33,790	49,873	36,498	56,978
Rendering of services	7,326	7,785	43,673	44,928	50,999	52,713
Turnkey project	9,329	13,425	1,419	18,572	10,748	31,997
	19,363	28,315	78,882	113,373	98,245	141,688
Timing of transfer of goods or services						
At a point in time	2,708	7,105	33,790	49,873	36,498	56,978
Over time	16,655	21,210	45,092	63,500	61,747	84,710
	19,363	28,315	78,882	113,373	98,245	141,688

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### 8. Revenue (cont'd)

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

(i) <u>Determining transaction price and amounts allocated to sale of equipment with installation</u> services, sale of equipment with maintenance services and turnkey project with maintenance <u>services</u>

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

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

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

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

(iii) Estimating variable consideration for turnkey projects

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

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

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

	Gro	Group		bany
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables (Note 9)	37,978	42,979	13,586	12,408
Contract assets	17,869	22,062	7,755	9,760
Contract liabilities	25,677	25,080	20,033	19,407

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### 8. Revenue (cont'd)

#### (c) Contract assets and contract liabilities (cont'd)

The Group has recognised a net write-back of impairment losses on receivables arising from contracts with customers amounting to \$94,000 (2023: net impairment loss of \$120,000). The Company has recognised a net impairment loss on receivables arising from contracts with customers amounting to \$153,000 (2023: nil).

The Group has recognised a net write-back of impairment loss on contract assets amounting to \$77,000 (2023: net impairment loss on contract assets of \$327,000). The Company has recognised a net write-back of impairment loss on contract assets amounting to \$11,000 (2023: nil).

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group billed and received consideration ahead of the provision of services and delivering of goods.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	Gro	Group		bany
	2024	2024 2023		2023
	\$'000	\$'000	\$'000	\$'000
Contract assets reclassified				
to receivables	17,987	29,631	7,241	9,217

(ii) Significant changes in contract liabilities are explained as follows:

	Gr	oup	Com	pany
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the				
year	15,178	20,797	9,193	11,637

### (d) Transaction price allocated to remaining performance obligations

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2024 is \$117,980,000 (2023: \$102,719,000), which the Group expects to recognise as revenue in 2025 and 2026.

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### 9. Trade receivables

	Gro	bup	Com	pany
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Trade receivables Less: Allowance for impairment of trade	40,618	45,729	13,772	12,446
receivables	(2,640)	(2,750)	(186)	(38)
Total trade receivables Add: Other receivables and deposits (excluding staff advances, prepayments and tax recoverable)	37,978	42,979	13,586	12,408
(Note 10)	1,094	2,227	370	2,272
Cash and bank balances (Note 27)	10,591	16,402	2,649	7,909
Fixed deposits (Note 27)	3,708	4,220	3,708	4,220
Amounts due from subsidiaries			6,765	10,670
Total financial assets carried at				
amortised cost	53,371	65,828	27,078	37,479

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

At balance sheet date, retention sums relating to contracts included in trade receivables of the Group and the Company are \$3,426,000 and nil (2023: \$3,688,000 and nil) respectively.

At the balance sheet date, trade receivables for the Group arising from export sales amounting to \$333,000 (2023: \$4,155,000) are arranged to be settled via letters of credits issued by banks in countries where the customers are based.

As at 31 December, the following amounts denominated in a currency other than the respective subsidiaries functional currency are included in the trade receivables for the Group and the Company:

	Gro	Group		pany
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
US dollar	10,034	4,995	3,699	572
Other currencies	37	69		

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### 9. Trade receivables (cont'd)

### Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group		Com	bany
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Movement in allowance accounts:				
At 1 January	2,750	10,496	38	377
Charge for the year	341	1,242	186	34
Written back	(435)	(1,122)	(33)	(34)
Written off	(94)	(7,733)	(5)	(339)
Currency realignment	78	(133)		_
At 31 December	2,640	2,750	186	38

The movement in allowance for expected credit losses of contract assets computed based on lifetime ECL are as follows:

	Group		Com	bany
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Movement in allowance accounts:				
At 1 January	3,728	3,296	2,083	2,083
Charge for the year	_	327	-	_
Written back	(77)	_	(11)	_
Written off	(933)	(13)	_	_
Currency realignment	159	118		
At 31 December	2,877	3,728	2,072	2,083

### 10. Other receivables, deposits and prepayments

	Group		Com	pany
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Prepayments	21,199	18,549	18,913	17,783
Deposits	670	1,930	231	212
Staff advances	12	14	-	-
Tax recoverable	856	1,125	_	30
Other debtors	424	297	139	2,060
	23,161	21,915	19,283	20,085
Non-current	243	199	_	_
Current	22,918	21,716	19,283	20,085
	23,161	21,915	19,283	20,085

Staff advances and other debtors are unsecured and non-interest bearing.

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### 11. Amounts due from/(to) subsidiaries (trade and non-trade)

The trade balances are non-interest bearing and are generally on 30 days' terms.

The non-trade balances are unsecured, repayable on demand and are to be settled in cash. Included in non-trade balances are advances to subsidiaries of \$4,468,000 (2023: \$4,112,000) that bear interest from 3.5% to 7.5% per annum (2023: 3.5% to 7.4% per annum). Other balances due from/(to) subsidiaries do not bear any interest.

#### 12. Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

Included in trade payables are accrued project costs amounting to \$6,669,000 (2023: \$8,489,000) and a fair value loss on forward currency contracts amounting to \$106,000 (2023: fair value gain on forward currency contracts amounting to \$54,000) which has been recognised in profit or loss as at 31 December 2024.

As at 31 December, the following amounts denominated in a currency other than the respective subsidiaries functional currency are included in trade payables for the Group and the Company:

	Gr	Group		pany
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
US dollar	6,726	5,943	4,269	4,524
Euro	_	91	-	90
Norwegian krone	20	26	-	-
Other currencies	306	1,660		

#### 13. Other payables and accruals

	Gro	oup	Com	pany
	2024	2023	2024	2023
	\$′000	\$'000	\$'000	\$′000
Accrued payroll and staff expenses	2,299	3,782	1,565	2,444
Other accrued operating expenses	2,088	1,654	507	373
Other creditors	1,851	1,232	828	662
Withholding tax payables	9	243		
Total other payables and accruals Add:	6,247	6,911	2,900	3,479
Trade payables	20,733	28,292	6,294	10,527
Amounts due to subsidiaries				
(Note 11)	-	_	80	463
Borrowings (Note 15)	9,108	11,997	7,822	11,997
Lease liabilities - current (Note 16) Lease liabilities – non-current	1,679	1,547	1,258	1,129
(Note 16)	3,724	4,404	3,202	4,267
Less:				
Withholding tax payables	(9)	(243)		
Total financial liabilities carried at				
amortised cost	41,482	52,908	21,556	31,862

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#### 14. Provision for warranty

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

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

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

	Group		Com	pany
	2024	2024 2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	491	479	417	304
Provision for the year	505	744	455	715
Write-back of provision	(99)	(227)	(73)	(98)
Utilised during the year	(406)	(505)	(392)	(504)
Currency realignment	(1)			
At 31 December	490	491	407	417

The Group may from time to time in the ordinary course of business be subject to claims or settlement with customers and if the amounts arising do not fall within the provision for warranty, the charges will be taken to cost of sales, as appropriate.

### 15. Borrowings

			Gro	bup	Com	pany
	Effective %	Maturities	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Short-term borrowings (unsecured):						
Singapore dollar floating rate bank loans	4.73%	January 2025	4,500	-	4,500	-
US dollar floating rate trade line	5.78% to 5.86%	March 2025	3,322	_	3,322	_
Indonesia rupiah floating rate trade line	9.76%	January 2025	1,286	-	-	-
Singapore dollar floating rate bank loans	5.27% to 5.53%	January 2024	-	9,500	-	9,500
US dollar floating rate trade line	6.73% to 6.74%	January 2024	_	2,497		2,497
			9,108	11,997	7,822	11,997



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### 15. Borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

				Foreign		
	1 January			exchange		31 December
	2024	Cash flows	New leases	movement	Others	2024
	\$'000	\$'000	\$′000	\$'000	\$′000	\$'000
Short-term borrowings (unsecured):						
- current	11,997	(2,889)	_	_	_	9,108
Lease liabilities	5,951	(1,986)	1,140	20	278	5,403
				Foreign		
	1 January			exchange		31 December
	2023	Cash flows	New leases	movement	Others	2023
	\$'000	\$'000	\$'000	\$'000	\$′000	\$'000
Short-term borrowings (unsecured):						
– current	21,000	(9,003)	-	—	-	11,997

### 16. Leases

The Group has lease contracts for various items of plant, machinery and other equipment used in its operations. Leasehold land and building generally have lease terms between 3 and 5 years. Leases of plant and other equipment generally have lease terms between 1 and 5 years. The Group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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### 16. Leases (cont'd)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	building \$'000	equipment \$'000	Total \$'000
Cost	•	• • • •	,
At 1 January 2023	7,141	268	7,409
Additions	376	373	749
Disposal	(1,101)	(6)	(1,107)
Currency realignment	(155)	(4)	(159)
At 31 December 2023	6,261	631	6,892
Additions	876	264	1,140
Disposal	(80)	(113)	(193)
Currency realignment	22	14	36
At 31 December 2024	7,079	796	7,875
Accumulated depreciation			
At 1 January 2023	2,077	103	2,180
Charge for the year	1,301	189	1,490
Disposal	(1,101)	(6)	(1,107)
Currency realignment	(127)	(3)	(130)
At 31 December 2023	2,150	283	2,433
Charge for the year	1,363	235	1,598
Disposal	(80)	(113)	(193)
Currency realignment	9	6	15
At 31 December 2024	3,442	411	3,853
Net carrying amount			
At 31 December 2023	4,111	348	4,459
At 31 December 2024	3,637	385	4,022

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### 16. Leases (cont'd)

Company	Leasehold land and building \$'000	Plant and other equipment \$′000	Total \$'000
Cost			
At 1 January 2023 Additions	4,841	223 200	5,064 200
At 31 December 2023 and 1 January 2024 Additions Disposal	4,841 40	423 158 (113)	5,264 198 (113)
At 31 December 2024	4,881	468	5,349
Accumulated depreciation At 1 January 2023 Charge for the year	263 837	88 112	351 949
At 31 December 2023 and 1 January 2024 Charge for the year Disposal	1,100 884 –	200 131 (113)	1,300 1,015 (113)
At 31 December 2024	1,984	218	2,202
<b>Net carrying amount</b> At 31 December 2023	3,741	223	3,964
At 31 December 2024	2,897	250	3,147

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Com	bany
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
At 1 January	5,951	5,938	5,396	5,380
Additions	1,140	749	198	200
Accretion of interest (Note 23)	278	256	183	219
Payments	(1,986)	(963)	(1,317)	(403)
Currency realignment	20	(29)		
At 31 December	5,403	5,951	4,460	5,396
Current	1,679	1,547	1,258	1,129
Non-current	3,724	4,404	3,202	4,267
Total lease liabilities	5,403	5,951	4,460	5,396

The maturity analyses of lease liabilities are disclosed in Note 33.



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### 16. Leases (cont'd)

The following are the amounts recognised in profit or loss:

	Group		
	2024 \$'000	2023 \$'000	
Depreciation expense of right-of-use assets	1,598	1,490	
Interest expense on lease liabilities	278	256	
Expense relating to leases of short term lease assets (included in administrative expenses)	106	255	
Expense relating to leases of low-value assets			
(included in administrative expenses)	2	6	
Total amount recognised in profit or loss	1,984	2,007	

The Group has total cash outflows for leases of \$1,986,000 in 2024 (2023: \$963,000).

### 17. Share capital

	Group and Company			
	2024	2023	2024	2023
			Number	of shares
	\$'000	\$'000	'000	'000
Issued and fully paid ordinary shares:				
At 1 January and 31 December	29,909	29,909	361,897	361,897

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

### 18. Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group		
	2024 \$'000	2023 \$'000	
At 1 January Current year translation	(1,463) (5)	(1,044) (419)	
At 31 December	(1,468)	(1,463)	
Net effect of exchange differences arises from: Translation of financial statements of foreign operations	(5)	(419)	

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### 19. Other (expenses)/income

	Group	
	2024 \$'000	2023 \$'000
Foreign exchange (loss)/gain, net – forward currency contracts	(106)	54
Realised foreign exchange loss, net	(298)	(649)
Unrealised foreign exchange gain/(loss), net	782	(1,470)
Government grants	37	237
Net gain on disposal of property, plant and equipment	6	5,754
Impairment of property, plant and equipment	(1,696)	_
Others	115	9
	(1,160)	3,935

### 20. (Loss)/profit from operating activities

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

	Gro	Group		
	2024	2023		
	\$'000	\$'000		
Audit fees to:				
Auditors of the Company	325	271		
Audit fees paid to other member firms of EY Global	122	117		
Other auditors	18	28		
Amortisation of intangible asset	138	240		
Bad debts written off	68	24		
Non-audit fees to:				
Auditors of the Company	37	41		
Non-audit fees paid to other member firms of EY Global	41	67		
Other auditors	123	164		
Write-back for doubtful trade receivables	(435)	(1,122)		
Impairment loss on trade receivables	341	1,242		
Net gain on disposal of property, plant and equipment	(6)	(5,754)		
Impairment of property, plant and equipment	1,696	-		
Depreciation of property, plant and equipment	619	1,092		
Depreciation of right-of-use assets	1,598	1,490		
Legal fee	206	183		

### 21. Personnel expenses and employee benefits

	Group	
	2024 \$'000	2023 \$'000
Wages, salaries and bonuses	13,784	15,951
Pension contributions	2,147	2,334
Other personnel benefits	2,377	2,804
Termination benefits	531	73
	18,839	21,162

Personnel expenses include Directors and Executive Officers' remuneration as shown in Note 31.



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#### 22. Finance income

	Gro	oup
	2024 \$'000	2023 \$'000
Interest income from:		
Bank deposits	308	227
Long-term trade receivables	46	35
	354	262

### 23. Finance expenses

	Gro	oup
	2024 \$'000	2023 \$'000
Interest expense	266	899
Interest on lease liabilities	278	256
	544	1,155

### 24. Tax

Major components of income tax expense for the year ended 31 December are:

	Group		
	2024 \$'000	2023 \$'000	
Consolidated income statement:			
Current income tax:			
Current income taxation	586	1,136	
(Over)/under provision in respect of prior years	(620)	708	
Deferred income tax:			
Current year	(1,083)	(3,866)	
Prior year	(48)	33	
Income tax credit recognised in profit and loss	(1,165)	(1,989)	

A reconciliation between the tax credit and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the year ended 31 December is as follows:

	Group		
	2024 \$'000	2023 \$'000	
(Loss)/profit before tax from continuing operations	(3,970)	3,682	
Tax at 17% Tax effect of expenses that are not deductible in determining taxable	(675)	626	
(loss)/profit (Over)/under provision in respect of prior years	600 (668)	1,666 741	
Difference in tax rates applicable to subsidiaries Tax effect of income not subject to tax	(120) (371)	(267) (1,207)	
Effect of change in tax rate Tax exemption, incentives and rebates		(18)	
Deferred tax asset recognised during the year	(405)	(3,866)	
Utilisation of previously recognised deferred tax assets Utilisation of previously unrecognised deferred tax assets Deferred tax assets not recognised by subsidiaries	139 (17) 352	124 (183) 412	
	(1,165)	(1,989)	



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### 24. Tax (cont'd)

Deferred tax as at 31 December related to the following:

	Consolidated income					
	Gro	oup	state	ment	Comj	pany
	2024	2023	2024	2023	2024	2023
	\$′000	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities:						
Differences in depreciation of						
property, plant and equipment						
for tax purposes	50	69	19	(84)	62	72
Difference in amortisation of						
intangible assets	(71)	(93)	(22)	(23)	(71)	(93)
Right-of-use assets	(639)	(674)	(35)	(118)	(535)	(674)
	(660)	(698)			(544)	(695)
Deferred tax assets:						
Interest income receivables	(302)	(207)	95	(20)	(246)	(167)
General provisions	1,245	1,761	516	(1,089)	215	434
Tax losses	3,843	2,177	(1,666)	(2,177)	2,232	1,633
Retirement benefit#	138	143	5	(119)	-	-
Lease liabilities	857	868	11	46	758	917
Others	27		(27)	24	27	6
Net deferred tax assets	5,148	4,044			2,442	2,128
Foreign exchange differences			(27)	(273)		
Net deferred tax credit			(1,131)	(3,833)		

# No deferred tax on retirement benefit (2023: nil) is recorded in 'Other comprehensive income', under the equity section of the balance sheet.

Changes in corporate tax rate from financial year 2023 are as follows:

- Morocco: from 0.5% to 0.25%
- Myanmar: from 25% to 22%

Effective 1 January 2022, the corporate tax rate for a company incorporated in Morocco has changed to proportional tax rate from 10% to 31% depending on the taxable income. For a company with no taxable income, a minimum tax of 0.5% on the annual turnover is applied.

As at 31 December 2024, the Group and the Company recognised deferred tax assets of \$5,148,000 (2023: \$4,044,000) and \$2,442,000 (2023: \$2,128,000) respectively. The deferred tax assets are mainly related to unused tax losses and deductible temporary differences arising from one of the subsidiaries of the Group and the Company. Deferred tax assets have been recognised to the extent it is probable that there will be future taxable profits available against which the deductible temporary difference can be utilised.

#### Unrecognised tax losses

The Group has tax losses and unutilised capital allowances of approximately \$16,419,000 (2023: \$16,833,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.



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### 24. Tax (cont'd)

### Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting year, no deferred tax liability (2023: nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to \$4,543,000 (2023: \$4,261,000). The deferred tax liability is estimated to be \$227,000 (2023: \$226,000).

### Tax consequences of proposed dividends

There are no income tax consequences (2023: nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 26).

### OECD Pillar Two model rules

Pillar Two legislation was enacted in Singapore, the jurisdiction in which Nera Telecommunications Ltd is incorporated, and will come into effect from 1 January 2025. Since Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. However, they are not yet applicable for the current reporting year as the Group's consolidated revenue is currently below the threshold of EUR 750 million.

The Group is continuing to assess its exposure to the Pillar Two legislation for when it comes into effect.

### 25. Earnings per share

#### (a) *Continuing operations*

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

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

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

	Group	
	2024	2023
Net (loss)/profit attributable to ordinary equity holders of the Company for basic and diluted earnings per share (\$'000)	(2,805)	5,671
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	361,897	361,897

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



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### 25. Earnings per share (cont'd)

### (b) Earnings per share computation

The basic and diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for both basic and diluted earnings per share computation. The profit and share data are presented in Note 25(a) above.

### 26. Dividends

	Group and Company	
	2024 \$'000	2023 \$'000
<ul> <li>Declared and paid during the financial year:</li> <li>Dividends on ordinary shares:</li> <li>A final exempt (one-tier) dividend paid in respect of the previous financial year of 0.5 cents (2023: nil cents) per share</li> </ul>	1,809	
<ul> <li>Proposed but not recognised as a liability as at 31 December:</li> <li>Dividends on ordinary shares:</li> <li>A final exempt (one-tier) dividend for the current financial year of nil cents (2023: 0.5 cents) per share</li> </ul>	_	1,809

### 27. Cash and cash equivalents

	Group		Com	pany
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fixed deposits	3,708	4,220	3,708	4,220
Cash and bank balances	10,591	16,402	2,649	7,909
Deposits pledged	(10)	(119)		
Cash and cash equivalents in the cashflow statement	14,289	20,503	6,357	12,129
cusiniow statement	17,200	20,000	0,007	12,120

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.003% to 3.75% (2023: 0.003% to 3.75%) per annum. Included in cash and cash equivalents are amounts totalling \$10,000 (2023: \$119,000) pledged in accordance to a contractual arrangement and for purpose of bankers' guarantees issued.

Fixed deposits of the Group and the Company were made for a period of 30 days depending on the immediate cash requirements of the Group and the Company, and earned interest at the respective fixed deposit rates. The effective interest rates of fixed deposits range from 2.65% to 5.16% (2023: 2.75% to 5.19%) per annum.

Cash and deposits denominated in foreign currencies at 31 December are as follows:

	Gr	Group		pany
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
US dollar	2,308	6,574	1,549	5,896
AU dollar	8	4	8	4
Euro	947	157	794	18
Norwegian krone	72	67	_	_
Other currencies	4	20		

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#### 28. Employee share plan

In financial year 2014, Share plan under the Nera Telecommunications Performance Share Plan 2014 ("NeraTel PSP 2014") to eligible Directors and other employees of the Company was approved by the shareholders.

During the financial year, no shares (2023: Nil) were granted under the employee share plan.

#### 29. Commitments

#### (a) Capital commitments

At 31 December 2024, the Group has no commitments relating to the purchase of new property, plant and equipment and renovation cost.

### (b) Non-cancellable operating lease commitments – as lessor

As at 31 December 2024 the Group has no commitments under operating leases for equipment.

#### 30. Contingent liabilities

	Group and Compan		
	2024	2023	
	\$'000	\$′000	
Guarantees			
Bankers' guarantees issued by banks on behalf of subsidiaries	830	590	

### 31. Related party disclosures

#### Compensation of key management personnel

	Group		
	2024	2023	
	\$'000	\$'000	
Directors of the Company:			
Directors' fees	270	289	
Directors' remuneration	551	858	
Defined contribution benefits	16	17	
Key management:			
Key management's remuneration	1,933	2,305	
Defined contribution benefits	77	55	

Key management personnel are the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.



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#### 32. Segment information

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

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

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

### Allocation basis and transfer pricing

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

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

	WIN \$′000	NI \$′000	Adjustments \$'000	Notes	Total \$'000
2024					
Revenue Cost of sales	19,362 (13,981)	78,883 (59,856)			98,245 (73,837)
Gross profit Distribution and selling expenses Administrative expenses Other income/(expenses)	5,381 (3,101) (2,509) <u>317</u>	19,027 (11,555) (9,863) (1,477)			24,408 (14,656) (12,372) (1,160)
Profit/(loss) from operating activities Finance income Finance expenses Loss before tax Tax Net loss for the year	88	(3,868)			(3,780) 354 (544) (3,970) 1,165 (2,805)
Other information Segment assets Segment liabilities Capital expenditure Depreciation and amortisation Other non-cash income (*)	21,825 10,113 20 212 107	46,019 42,190 264 2,143 202	42,608 16,239	A B	110,452 68,542 284 2,355 309

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### 32. Segment information (cont'd)

### Allocation basis and transfer pricing (cont'd)

	WIN \$'000	NI \$'000	Adjustments \$'000	Notes	Total \$'000
2023					
Revenue Cost of sales	28,314 (23,360)	113,374 (87,091)			141,688 (110,451)
Gross profit Distribution and selling expenses Administrative expenses Other (expenses)/income	4,954 (3,587) (2,008) (1,469)	26,283 (12,950) (11,812) 5,164			31,237 (16,537) (13,820) <u>3,695</u>
(Loss)/profit from operating activities Finance income Finance expenses Profit before tax Tax Net profit for the year	(2,110)	6,685			4,575 262 (1,155) 3,682 1,989 5,671
Other information Segment assets Segment liabilities Capital expenditure Depreciation and amortisation Other non-cash (income)/	26,928 10,892 61 243	53,318 48,922 1,311 2,579	46,581 20,436	A B	126,827 80,250 1,372 2,822
expenses (*)	(633)	1,621			988

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

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

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

	2024	2023
	\$'000	\$'000
Deferred tax assets	5,148	4,044
Other receivables, deposits and prepayments	23,161	21,915
Cash and cash equivalents	10,591	16,402
Fixed deposits	3,708	4,220
	42,608	46,581



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### 32. Segment information (cont'd)

### Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (cont'd)

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

	2024 \$'000	2023 \$'000
Defined benefit obligation	605	582
Other payables and accruals	6,247	6,911
Borrowings	9,108	11,997
Provision for taxation	279	946
	16,239	20,436

### Geographical segments

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

	Rev	enue	Non-curre	ent assets
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Singapore	50,184	61,379	4,897	6,253
Indonesia	13,616	30,750	305	409
Malaysia	18,547	23,225	738	215
Philippines	502	1,852	1,018	2,823
Thailand	2,144	2,681	170	268
EMEA countries	11,957	20,259	253	35
Others	1,295	1,542		
	98,245	141,688	7,381	10,003

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

### Information about a major customer

Revenue from one major customer amounted to \$23,535,000 (2023: \$23,222,000), arising from revenue by the WIN and NI segments (2023: WIN and NI segments).

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#### 33. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit and risk management committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

### Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly US dollar and Euro. Approximately 18% (2023: 14%) of the Group's turnover and 55% (2023: 65%) of the Group's purchases are denominated in foreign currencies.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the balance sheet date, such foreign currency balances amount to \$3,339,000 (2023: \$6,822,000) and \$2,351,000 (2023: \$5,918,000) for the Group and the Company respectively.

The Group uses forward currency contracts to mitigate the currency exposures on transactions in excess of \$100,000 for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale or purchase. The forward currency contracts are in the same currency as the underlying exposure. It is the Group's policy not to enter into forward currency contracts to match the terms of the underlying exposure.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. These investments are not hedged as the respective currency positions are considered to be long-term in nature.

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### 33. Financial risk management objectives and policies (cont'd)

### Foreign currency risk (cont'd)

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar, AU dollar and Euro exchange rates (against SGD), with all other variables held constant, of the Group's (loss)/profit before tax.

	Group		
	2024	2023	
	\$'000	\$'000	
US dollar			
– Strengthened 3% (2023: 3%)	229	223	
– Weakened 3% (2023: 3%)	(229)	(223)	
Euro			
– Strengthened 5% (2023: 5%)	67	5	
– Weakened 5% (2023: 5%)	(67)	(5)	

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from cash and cash equivalents and borrowings.

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

Surplus funds are placed with reputable banks.

Information relating to the Group's interest rate exposure is also disclosed in the notes to the financial statements.



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### 33. Financial risk management objectives and policies (cont'd)

### Interest rate risk (cont'd)

#### Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on interest income from cash assets placed with banks with all other variables held constant, of the Group's (loss)/profit before tax.

	Group		
	Increase/ (decrease) basis points	Effect on profit/(loss) before tax \$'000	
2024			
US dollar bank placements	(100)	(31)	
Euro bank placements	(100)	(13)	
Singapore dollar bank borrowings	(100)	(45)	
Indonesia Rupiah bank borrowings	(100)	(13)	
US dollar bank borrowings	(100)	(33)	
US dollar bank placements	100	31	
Euro bank placements	100	13	
Singapore dollar bank borrowings	100	45	
Indonesia Rupiah bank borrowings	100	13	
US dollar bank borrowings	100	33	
2023			
US dollar bank placements	(100)	(87)	
Euro bank placements	(100)	(2)	
Singapore dollar bank borrowings	(100)	(95)	
US dollar bank borrowings	(100)	(25)	
US dollar bank placements	100	87	
Euro bank placements	100	2	
Singapore dollar bank borrowings	100	95	
US dollar bank borrowings	100	25	

#### Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The principal method the Group uses to manage liquidity risk arising from financial liabilities is maintaining an adequate level of cash and cash equivalents and committed stand-by credit facilities with banks. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.



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### 33. Financial risk management objectives and policies (cont'd)

### Liquidity risk (cont'd)

The table below analyses the Group's financial assets and liabilities and certain derivative financial instruments that will be settled on a gross basis into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The carrying amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

	2024					20	23	
	1 year	1-5	> 5		1 year	1-5	> 5	
	or less	years	years	Total	or less	years	years	Total
	\$'000	\$'000	\$'000	\$′000	\$′000	\$'000	\$'000	\$'000
Group								
Financial assets:								
Trade receivables	37,978	-	-	37,978	42,979	-	-	42,979
Other receivables and								
deposits (excluding staff								
advances, prepayments								
and tax recoverable)	851	243	-	1,094	2,028	199	-	2,227
Cash and bank balances	10,591	-	-	10,591	16,402	-	-	16,402
Fixed deposits	3,708	-	-	3,708	4,220	-	-	4,220
Derivative financial								
instruments								
– Forward currency								
contracts					2,636			2,636
Total undiscounted financial								
assets	53,128	243		53,371	68,265	199		68,464
Financial liabilities:								
Trade payables	20,733	-	-	20,733	28,292	-	-	28,292
Other payables and accruals								
(excluding withholding tax								
payables)	6,238	-	-	6,238	6,668	-	-	6,668
Borrowings	9,146	-	-	9,146	12,054	-	-	12,054
Lease liabilities	1,875	3,824	-	5,699	1,706	4,575	-	6,281
Derivative financial								
instruments								
– Forward currency								
contracts					2,677			2,677
Total undiscounted financial								
liabilities	37,992	3,824		41,816	51,397	4,575		55,972
Total net undiscounted								
financial assets/(liabilities)	15,136	(3,581)		11,555	16,868	(4,376)		

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### 33. Financial risk management objectives and policies (cont'd)

### Liquidity risk (cont'd)

	2024				2023			
	1 year	1-5	> 5		1 year	1-5	> 5	
	or less	years	years	Total	or less	years	years	Total
	\$'000	\$′000	\$'000	\$′000	\$′000	\$'000	\$′000	\$'000
Company								
Financial assets:								
Trade receivables	13,586	-	-	13,586	12,408	-	-	12,408
Other receivables and								
deposits (excluding								
prepayments and tax								
recoverable)	370	-	-	370	2,272	-	-	2,272
Amounts due from								
subsidiaries	6,765	-	-	6,765	10,670	-	-	10,670
Cash and bank balances	2,649	-	-	2,649	7,909	-	-	7,909
Fixed deposits	3,708	-	-	3,708	4,220	-	-	4,220
Derivative financial								
instruments								
<ul> <li>Forward currency</li> </ul>								
contracts					2,636			2,636
Total undiscounted financial								
assets	27,078			27,078	40,115			40,115
Financial liabilities:								
Trade payables	6,294	_	-	6,294	10,527	-	_	10,527
Other payables and accruals	2,900	_	_	2,900	3,479	_	_	3,479
Amounts due to subsidiaries	80	_	_	80	463	-	_	463
Borrowings	7,853	_	-	7,853	12,054	_	_	12,054
Lease liabilities	1,379	3,308	-	4,687	1,284	4,482	-	5,766
Derivative financial								
instruments								
<ul> <li>Forward currency</li> </ul>								
contracts					2,677			2,677
Total undiscounted financial								
liabilities	18,506	3,308	_	21,814	30,484	4,482	_	34,966
Total net undiscounted	<u> </u>	<u> </u>		<u> </u>	<u> </u>	<u> </u>		<u> </u>
financial assets/(liabilities)	8,572	(3,308)	_	5,264	9,631	(4,482)	_	5,149
	0,072	(0,000)		0,204		(7,702)		5,143



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### 33. Financial risk management objectives and policies (cont'd)

### Liquidity risk (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities.

	2024				20	23		
	1 year or less	1-5 years	> 5 years	Total	1 year or less	1-5 years	> 5 years	Total
	\$′000	\$′000	\$'000	\$′000	\$'000	\$′000	\$′000	\$'000
<b>Company</b> Financial guarantees in								
relation to contracts	640	2,168		2,808	2,137	1,762		3,899

### Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the customer;
- Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in the operating results of the customer.

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### 33. Financial risk management objectives and policies (cont'd)

### Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments and in significant financial difficulties. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

### Trade receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 December 2024 and 2023 is determined as follows, the expected credit losses below also incorporate forward-looking information such as forecast of economic conditions and expected inflation rates.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by geography:

### (i) Singapore

	Trade receivables Days past due								
	Contract Assets \$'000	Current \$'000	Less than 90 days \$'000	More than 90 days \$'000	Total \$'000				
<b>31 December 2024</b> Gross carrying amount Loss allowance	7,755	7,071	3,006	3,695	21,527				
provision	25	17	2	169	213				
<b>31 December 2023</b> Gross carrying amount Loss allowance	9,760	5,463	4,613	2,370	22,206				
provision	25			38	63				



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### 33. Financial risk management objectives and policies (cont'd)

### Credit risk (cont'd)

### Trade receivables and contract assets (cont'd)

### (ii) Other geographical area

	Trade receivables Days past due								
	Contract		Less than	More than					
	Assets \$'000	Current \$'000	90 days \$′000	90 days \$′000	Total \$'000				
<b>31 December 2024</b> Gross carrying amount	12,991	15,792	6,610	4,444	39,837				
Loss allowance provision	2,852		4	2,448	5,304				
31 December 2023									
Gross carrying amount	16,030	17,624	10,091	5,568	49,313				
Loss allowance provision	3,703		4	2,708	6,415				

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 9.

During the year, the Group wrote-off \$68,000 (2023: \$24,000) of trade receivables as the Group does not expect to receive future cash flows and there are no recoveries from collection of cash flows previously written off.

### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the balance sheet date are as follows:

### Customers' profile

### By country

% of total		oup	Со	mpany
trade receivables	2024	2023	2024	2023
≥ 25	Singapore	Singapore	Singapore	Singapore
>10 and <25	Indonesia and Malaysia	Indonesia and Malaysia	_	_
≤ 10	Philippines, Pakistan, Morocco and others	Philippines, Pakistan, Morocco and others	Pakistan and others	Philippines and others

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### 33. Financial risk management objectives and policies (cont'd)

### Credit risk (cont'd)

Customers' profile (cont'd)

### By industry

		Gro	oup			Com	pany	
	202	24	202	23	202	24	202	23
		% of		% of		% of		% of
	\$'000	total	\$'000	total	\$'000	total	\$'000	total
Telecommunications	24,540	65	22,717	53	10,134	75	8,167	66
Government agencies	5,232	13	14,082	33	749	6	907	7
Media and broadcasting	291	1	614	1	132	1	614	5
Multi-industry conglomerates	1,412	4	-	-	-	-	-	-
Financial institutions	1,737	5	408	1	1,686	12	383	3
Hospitality	305	1	2,536	6	228	2	2,263	18
Others	4,461	11	2,622	6	657	4	74	1
	37,978	100	42,979	100	13,586	100	12,408	100

At the balance sheet date,

- 63% (2023: 37%) of the Group's trade receivables in Malaysia (2023: Malaysia) are due from a reputable telecommunication service provider; and
- 36% (2023: 24%) of the Group's trade receivables are due from 3 major customers in the Telecommunication industry.

### 34. Fair value of assets and liabilities

### (a) Fair value hierarchy

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



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### 34. Fair value of assets and liabilities (cont'd)

### (b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

		Gr	oup	
	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant other observable inputs (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
At 31 December 2024 Financial liabilities Derivatives – Forward currency contracts				
At 31 December 2023 Financial liabilities Derivatives – Forward currency contracts		40		40

### (c) Level 2 fair value measurements

### Derivatives

Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and forward rate curves.

### (d) Assets and liabilities not measured at fair value, for which fair value is disclosed

There are no assets and liabilities not measured at fair value at 31 December 2024 and 2023 but for which fair value is disclosed.

### (e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and cash equivalents (Note 27), trade receivables (Note 9), other receivables and deposits (Note 10), amount due from/(to) subsidiaries (Note 11), trade payables (Note 12), other payables and accruals (Note 13), short-term borrowings (Note 15) and lease liabilities (Note 16).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values as they are short-term in nature, market interest rate instruments.

### (f) Fair value of financial instrument classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

There are no financial instruments that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.



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### 35. Derivatives

		Group						
		2024			2023			
		\$'000			\$'000			
	Contract/			Contract/				
	notional			notional				
	amount	Assets	Liabilities	amount	Assets	Liabilities		
Forward currency contracts	-			2,636		40		

In previous year, forward currency contracts are mainly used to hedge the Group's sales and purchases denominated in US dollar, against SGD for which firm commitments existed at the balance sheet date, extending to May 2024.

The Group does not apply hedge accounting.

### 36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio less than 50%. The Group includes within net debt, only loans and borrowings, less cash and cash equivalents. Capital refers to equity attributable to the owners of the Company.

	Group		
	2024 \$'000	2023 \$'000	
Borrowings (Note 15) Less: Cash and cash equivalent (Note 27)	9,108 (14,289)	11,997 (20,503)	
Net debts	(5,181)	(8,506)	
Capital: Equity attributable to owners of the Company	41,910	46,577	
Capital and net debt	36,729	38,071	
Gearing ratio			

### 37. Defined benefit obligation

### **Retirement plans**

Nera (Thailand) Limited and P.T. Nera Indonesia have unfunded, non-contributory defined benefit retirement plans while Nera (Philippines), Inc. has funded, non-contributory defined benefit plans covering all their qualified employees. The provision for post-employment benefits is based on the calculation of an independent actuary, using the "Projected Unit Credit" method, and in pursuant to Republic Act 7641 in Philippines, Labor Law No. 13/2003 in Indonesia, and Legal Severance Pay Law in Thailand. The Group's latest actuarial valuation reports are dated 31 December 2024.



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### 37. Defined benefit obligation (cont'd)

### Retirement plans (cont'd)

The retirement plan for Nera (Philippines), Inc. requires contributions to be made to separately administered funds. The funds are administered by a local bank. Subject to the specific instructions provided by the company in writing, the company directs the local bank to hold, invest, and reinvest the funds and keep the same invested, in its sole discretion, without distinction between principal and income in, but not limited to, certain investments in unit investment trust fund.

### Long service awards

Nera (Thailand) Limited and P.T. Nera Indonesia have an award in the form of cash award during active employment for employees who have completed certain years of services.

The amount included in the consolidated balance sheet arising from the Group's obligation in respect of its defined benefit plans is as follows:

	Philippi	nes plan	Thailar	nd plan	Indone	sia plan	То	tal
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of defined								
benefit obligation	21	103	87	75	555	581	663	759
Fair value of plan assets	(58)	(177)					(58)	(177)
Net (asset)/liability arising from defined benefit								
obligation	(37)	(74)	87	75	555	581	605	582

Changes in present value of the defined benefit obligation are as follows:

	Philippi	nes plan	Thailar	nd plan	Indone	sia plan	То	tal
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$′000	\$'000	\$′000	\$′000	\$'000	\$'000	\$'000
At 1 January	103	123	75	45	581	635	759	803
Interest cost	4	8	31	23	_	53	35	84
Current service cost	34	64	2	2	184	216	220	282
Remeasurement losses/								
(gains):								
Actuarial changes arising								
from changes in financial								
assumptions	(9)	(5)	5	4	(88)	(126)	(92)	(127)
Actuarial changes due to								
experience adjustment	11	(1)	(28)	2	(56)	(139)	(73)	(138)
Recognition of actuarial loss	-	_	_	_	(3)	1	(3)	1
Effects of benefit changes	-	_	_	_	(88)	_	(88)	_
Benefit paid out	(120)	(85)	-	-	(16)	(60)	(136)	(145)
Exchange differences	(2)	(1)	3	(1)	40	1	41	(1)
At 31 December	21	103	88	75	554	581	663	759



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### 37. Defined benefit obligation (cont'd)

### Long service awards (cont'd)

Changes in fair value of plan assets are as follow:

	Philippi	nes plan
	2024 \$'000	2023 \$'000
At 1 January	177	253
Benefits paid	(120)	(85)
Interest income	10	16
Remeasurement gains/(losses):		
Return on plan assets	(5)	(6)
Exchange differences	(4)	(1)
At 31 December	58	177

The fair values of the plan assets by each class as at the end of the reporting period are as follows:

	2024 \$'000	2023 \$'000
Investments in unit investment trust fund ("UITF") – Philippines plan	58	177

Investments in UITF are ready-made investments that allow the pooling of funds that are managed by a local bank.

The plan asset's carrying amount approximates its fair value since these are marked-to-market.

The cost of defined benefit pension plans as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension for the defined benefit plans are shown below:

	2024	2023
Discount rates:		
Philippines plan	6.13%	5.96%
Thailand plan	2.59%	3.12%
Indonesia plan	7.10%	6.80%
Future salary increases:		
Philippines plan	3.00%	5.00%
Thailand plan	5.00%	5.00%
Indonesia plan	6.00%	6.00%


# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 37. Defined benefit obligation (cont'd)

	2024	2023
	%	%
Mortality rate		
Philippines plan	1994 US Group Annuity Mortality (GAM) Table, Male and Female	1994 US Group Annuity Mortality (GAM) Table, Male and Female
Thailand plan	105% of Thai Mortality Ordinary Table 2017	105% of Thai Mortality Ordinary Table 2017
Indonesia plan	Mortality Table of Indonesia 2019	Mortality Table of Indonesia 2019

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

		31	December 20	24
	Increase/ (decrease)	Philippines plan	Thailand plan	Indonesia plan
Discount rates	(Actual + 1.00%)	_	_	(57)
	(Actual – 1.00%)	-	_	66
	(Actual + 0.50%)	(2)	(11)	_
	(Actual – 0.50%)	2	(1)	-
Future salary increases	(Actual + 1.00%)	4	4	45
	(Actual – 1.00%)	(3)	(13)	(56)

		31	December 202	23
	Increase/ (decrease)	Philippines plan	Thailand plan	Indonesia plan
Discount rates	(Actual + 1.00%) (Actual – 1.00%)	-	-	(59) 68
	(Actual + 0.50%)	(5)	(9)	-
	(Actual – 0.50%)	5	-	-
Future salary increases	(Actual + 1.00%) (Actual – 1.00%)	9 (9)	4 (13)	69 (61)

The Group has no specific matching strategies between the retirement plan assets and the defined benefit obligation under the retirement plans.

The average duration of the defined benefit obligation at the end of the reporting period is 17 years (2023: 12 years).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

## 38. Comparative figures

The effects of the reclassification on the consolidated statement of comprehensive income of the Group for the financial year ended 31 December 2023 are summarized below.

	As per previously		
Group	stated \$'000	Adjustments \$'000	As restated \$'000
Consolidated Statement of Comprehensive Income for the financial year ended			
<u>31 December 2023</u> Administrative expenses Other income/(expenses)	(13,820) 3,695	(240) 240	(14,060) 3,935

## 39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 11 April 2025.



# STATISTICS OF SHAREHOLDINGS

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AS AT 28 MARCH 2025

### DISTRIBUTION OF SHAREHOLDINGS

	NO. OF		NO. OF	
SIZE OF SHAREHOLDINGS	SHAREHOLDERS	%	SHARES	%
1 – 99	7	0.26	95	0.00
100 – 1,000	123	4.51	108,951	0.03
1,001 – 10,000	1,330	48.73	8,129,666	2.25
10,001 – 1,000,000	1,252	45.88	82,206,574	22.71
1,000,001 AND ABOVE	17	0.62	271,451,714	75.01
TOTAL	2,729	100.00	361,897,000	100.00

## TWENTY LARGEST SHAREHOLDERS

		NO. OF	
NO.	NAME	SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	238,663,664	65.95
2	PHILLIP SECURITIES PTE LTD	6,574,200	1.82
3	RAFFLES NOMINEES (PTE.) LIMITED	3,578,700	0.99
4	POH KHENG MUI (FU QINGMEI)	3,152,600	0.87
5	UOB KAY HIAN PRIVATE LIMITED	2,421,000	0.67
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,035,300	0.56
7	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,994,300	0.55
8	CITIBANK NOMINEES SINGAPORE PTE LTD	1,951,300	0.54
9	TAN ENG YAM HOLDINGS PTE LTD	1,509,100	0.42
10	ABN AMRO CLEARING BANK N.V.	1,469,400	0.41
11	TAN LENG OEI	1,213,550	0.34
12	TAN GEOK LENG	1,200,000	0.33
13	MAYBANK SECURITIES PTE. LTD.	1,185,700	0.33
14	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	1,161,500	0.32
15	ANG JUI KHOON	1,143,300	0.32
16	FU MUI KIM MRS WOO TOONG LI	1,120,000	0.31
17	LEE WOON KIAT	1,078,100	0.30
18	CAI YAOHUI	1,000,000	0.28
19	OCBC SECURITIES PRIVATE LIMITED	983,000	0.27
20	LIM AH KAW @ LIM LAN CHING	883,900	0.24
	TOTAL	274,318,614	75.82

# STATISTICS OF SHAREHOLDINGS

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AS AT 28 MARCH 2025

	Direct		Deemed	
Name of Substantial Shareholders	Interest	%	Interest	%
Ennoconn Solutions Singapore Pte. Ltd.(1)	_	_	230,791,464	63.77%
Ennoconn Corporation <sup>(2)</sup>	-	_	230,791,464	63.77%
Baoxin International Investments Ltd <sup>(3)</sup>	-	-	230,791,464	63.77%
Hon Hai Precision Industry Co., Ltd. <sup>(4)(5)</sup>	_	-	230,791,464	63.77%

Notes:

- 1. 230,791,464 shares held by Ennoconn Solutions Singapore Pte. Ltd. ("ESS") are registered in the name of DBS Nominees (Private) Limited.
- 2. Ennoconn Corporation ("Ennoconn") holds 100% of the shares in ESS. Accordingly, Ennoconn is deemed to be interested in all the shares held by ESS in the Company pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.
- 3. Baoxin International Investments Ltd ("Baoxin") holds approximately 24.12% of the shares in Ennoconn. Accordingly, Baoxin is deemed to be interested in all the shares held by ESS in the Company pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.
- 4. Hon Hai Precision Industry Co., Ltd. ("Hon Hai") holds 100% of the shares in Baoxin. Accordingly, Hon Hai is deemed to be interested in all the shares held by ESS in the Company pursuant to Section 4 of the Securities and Futures Act 2001 of Singapore.
- 5. Hon Hai is a company listed at 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.

### PUBLIC FLOAT

Based on information available to the Company as at 28 March 2025, approximately 36.23% of the total number of issued shares of the Company is held in the hands of public, and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Limited is complied with.

NERA TELECOMMUNICATIONS LTD

# NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of the Company will be convened and held at Temasek Club, Brani Room, 131 Rifle Range Road, Singapore 588406 on Tuesday, 29 April 2025 at 3.00 p.m. for the purpose of transacting the following business:-

## AS ORDINARY BUSINESS

- 1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Statement and the Independent Auditor's Report thereon. (Resolution 1)
- 2. To re-elect Mr Basil Chan retiring pursuant to Regulation 94 of the Company's Constitution.

[See Explanatory Note (i)]

3. To re-elect Mr Chu, Fu-Chuan retiring pursuant to Regulation 100 of the Company's Constitution.

[See Explanatory Note (ii)]

- To re-elect Mr Yu, Ling-Hsiao retiring pursuant to Regulation 100 of the Company's Constitution.
   (Resolution 4)

   [See Explanatory Note (iii)]
- To re-elect Mr Lum Wai Meng retiring pursuant to Regulation 100 of the Company's Constitution. (Resolution 5)
   [See Explanatory Note (iv)]
- To re-elect Ms Jenny Teng Mui Keow retiring pursuant to Regulation 100 of the Company's Constitution.
   (Resolution 6)
   [See Explanatory Note (v)]
- 7. To approve the payment of Directors' fees of S\$291,400 for the financial year ending 31 December 2025, to be paid quarterly in arrears. (FY2024: S\$271,000)

(Resolution 7)

(Resolution 2)

(Resolution 3)

[See Explanatory Note (vi)]

8. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 8)

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:-

## 9. Authority to issue Shares

"That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Rules of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
  - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

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(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares shall be based on the total number of issued shares (excluding treasury shares and shares (if any) held by a subsidiary) of the Company at the time of the passing of this Resolution, after adjusting for:
  - (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall 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."

(Resolution 9)

[See Explanatory Note (vii)]

10. To transact any other business which may be properly transacted at the Annual General Meeting.

BY ORDER OF THE BOARD

Gn Jong Yuh Gwendolyn Company Secretary

Singapore, 14 April 2025

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### **Explanatory Notes:**

- (i) Ordinary Resolution 2 is to re-elect Mr Basil Chan ("Mr Chan") who will be retiring by rotation under Regulation 94 of the Company's Constitution and if he is re-elected, he will remain as the Lead Independent Director of the Company, the Chairman of the Audit and Risk Management Committee, Chairman of the Remuneration Committee and a member of the Nominating Committee. Mr Chan is considered an Independent Director for the purpose of Provision 2.1 of Principle 2 of the Code of Corporate Governance 2018. Key information on Mr Chan is found under the section "Additional Information on Directors seeking Re-Election" of the Annual Report.
- (ii) Ordinary Resolution 3 is to re-elect Mr Chu, Fu-Chuan ("Mr Chu") who will be retiring by rotation under Regulation 100 of the Company's Constitution and if he is re-elected, he will remain as the Chairman of the Board. Following Mr Chu's re-designation with effect from 8 April 2025, Mr Chu will be considered a Non-Independent and Executive Chairman. Key information on Mr Chu is found under the section "Additional Information on Directors seeking Re-Election" of the Annual Report.
- (iii) Ordinary Resolution 4 is to re-elect Mr Yu, Ling-Hsiao ("Mr Yu") who will be retiring by rotation under Regulation 100 of the Company's Constitution and if he is re-elected, he will remain as a member of the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee (Mr Yu was appointed to the Remuneration Committee with effect from 8 April 2025). Mr Yu is considered a Non-Independent and Non-Executive Director. Key information on Mr Yu is found under the section "Additional Information on Directors seeking Re-Election" of the Annual Report.
- (iv) Ordinary Resolution 5 is to re-elect Mr Lum Wai Meng ("Mr Lum") who will be retiring by rotation under Regulation 100 of the Company's Constitution and if he is re-elected, he will remain as the Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee. Mr Lum is considered an Independent Director for the purpose of Provision 2.1 of Principle 2 of the Code of Corporate Governance 2018. Key information on Mr Lum is found under the section "Additional Information on Directors seeking Re-Election" of the Annual Report.
- (v) Ordinary Resolution 6 is to re-elect Ms Jenny Teng Mui Keow ("Ms Teng") who will be retiring by rotation under Regulation 100 of the Company's Constitution and if she is re-elected, she will remain as a member of the Audit and Risk Management Committee and the Remuneration Committee. Ms Teng is considered an Independent Director for the purpose of Provision 2.1 of Principle 2 of the Code of Corporate Governance 2018. Key information on Ms Teng is found under the section "Additional Information on Directors seeking Re-Election" of the Annual Report.
- (vi) Ordinary Resolution 7 is to seek approval for the payment of \$\$291,400 to all Non-Executive Directors as Directors' Fees for the financial year ending 31 December 2025 to be paid quarterly in arrears.
- (vii) The Proposed Resolution 9, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the total number of issued shares excluding treasury shares at the time this Ordinary Resolution is passed. The total number of issued shares excluding treasury shares of the Company shall be the total number of issued shares excluding treasury shares at the time this Ordinary Resolution is passed (after adjusting for new shares arising from the conversion of convertible securities or share options on issue at the time this resolution is passed and any subsequent bonus issues consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

### Notes:

- (a) The members of the Company are invited to attend physically at the Annual General Meeting ("AGM"). 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>.
- (b) 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

- (c) A member who is unable to attend the AGM may appoint not more than two (2) proxies to attend, speak and vote at the general meeting of the Company. A proxy need not be a member of the Company.
- (d) 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.
- (e) A member who is a Relevant Intermediary\* may appoint more than two proxies to attend, speak and vote at the AGM, 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.

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#### \*Relevant Intermediary is:

- 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;
- a person holding a capital markets services license to provide custodial services under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (iii) 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.
- (f) 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.
- (g) A member can appoint the Chairperson of the Meeting as his/her/its proxy, but this is not mandatory.
- (h) 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 a Resolution in the form of proxy, and if there is no specific instruction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the proxy(ies) will vote or abstain from voting at his/her/their discretion.
- (i) 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 AGM.
- (j) The Chairperson of the AGM, as proxy, need not be a member of the Company.
- (k) 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.
- (I) 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.
- (m) The instrument appointing the proxy(ies) must be submitted to the Company in the following manner:
  - (i) 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
  - (ii) if submitted electronically, be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at <a href="mailto:srs.proxy@boardroomlimited.com">srs.proxy@boardroomlimited.com</a>,

in either case, by 3.00 p.m. on Saturday, 26 April 2025, being no later than 72 hours before the time fixed for the AGM, and in default the instrument of proxy shall not be treated as valid.

- (n) 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.
- (o) Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting 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 AGM.
- (p) 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 AGM, as certified by The Central Depository (Pte) Limited to the Company.

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#### Submission of questions in advance of the AGM

- (q) Members who wish to submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM must be submitted in the following manner no later than 3.00 p.m. on Tuesday, 22 April 2025:
  - (i) by email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com; or
  - (ii) 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.
- (r) When sending in 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).
- (s) The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's corporate website and on SGXNet before 3.00 p.m. on Thursday, 24 April 2025.
- (t) The Annual Report 2024 may be accessed at the Company's IR website at the URL <u>https://www.nera.net/investors/publications</u> and it is also made available on SGXNet at the URL <u>https://www.sgx.com/securities/company-announcements</u>.

#### **Personal Data Privacy**

By submitting a Proxy Form appointing a proxy(ies) (including the Chairperson of the Meeting) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) for the purpose of the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Shareholder discloses the personal data of the proxy(ies) and/or representative(s) to the Company (or its agents or services providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or services and disclosure by the Company (or its agents or services and disclosure by the Company (or its agents or services and disclosure by the Company (or its agents or services and disclosure by the Company (or its agents or services and disclosure by the Company (or its agents or services and disclosure by the Company (or its agents or services), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

Mr Basil Chan, Mr Steve Chu, Fu-Chuan, Mr Eric Yu, Ling-Hsiao, Mr Raymond Lum Wai Meng and Ms Jenny Teng Mui Keow will be seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2025 ("AGM") (the "Retiring Directors").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
Date of Appointment	18/03/2020	28/10/2024	28/10/2024	28/10/2024	28/10/2024
Date of last re-appointment	26/04/2024	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Age	74	62	52	51	59
Country of principal residence	Singapore	Republic of China (Taiwan)	Republic of China (Taiwan)	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of has reviewed and considered the qualification, work experience and suitability of Mr Basil Chan ("Mr Chan") for reappointment as Lead Independent Non-Executive Director of the Company. Director of the Company. The Board has reviewed and concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. The Board of Directors considers Mr Chan to be independent for the purposes of Rule 704(8) of the Listing Rules.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Steve Chu, Fu-Chuan ("Mr Chu") for re-appointment as the Non- Independent Executive Chairman Didependent Executive Chairman Chu's re-designation with effect from 8 April 2025). The Board has reviewed and concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Eric Yu, Ling-Hsiao for re-appointment as Non-Independent Non-Executive Director of the Company. Director of the Company. Concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Raymond Lum Wai Meng ("Mr Lum") for re-appointment as an independent Non-Executive Director of the Company. The Board has reviewed and concluded that he possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. The Board of Directors considers Mr Lum to be independent for the purposes of Rule 704(8) of the Listing Rules.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Commendate has reviewed and considered the qualification, work experience and suitability of Ms Janny Teng Mui Keow ("Ms Teng") for re-appointment as an independent Non-Executive Director of the Company. The Board has reviewed and concluded that she possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. The Board of Directors considers Ms Teng to be independent for the purposes of Rule 704(8) of the Listing Rules.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Independent	Executive. Responsible for the overall management of the Group and its operations in Singapore, Malaysia, Philippines, Thailand, Indonesia, Myammar, India, Vietnam, Australia, Norway, Libya, Morocco, Pakistan, United ARAB Emirates, and Nigeria	Non-Executive and Non-Independent	Non-Executive and Independent	Non-Executive and Independent
Job Title (e.g. Lead ID, AC Chairperson, AC Member etc.)	Lead Independent Non-Executive Director, Chairman of the Audit and Risk Management Committee and Remuneration Committee, and a member of the Nominating Committee	Executive Director and Executive Chairman	Non-Independent Non-Executive Director, Member of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee (Mr Eric Yu, Ling-Hsiao will be appointed as a member of the Remuneration Committee with effect from 8 April 2025)	Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee	Independent Non-Executive Director, Member of the Audit and Risk Management Committee and Remuneration Committee

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
	Bachelor of Electronic Engineering from St John's and St Mary's	Civil Engineering Master of National Taiwan University	Senior Member, Institution of Engineers Singapore	Listed Company Directors by SID
	istitute of rechnology, raiwan	Civil Engineering Bachelor of National Taiwan University	Senior Accredited Director, Singapore Institute of Directors	by SID-SMU Directors, Financial Reporting
			Chartered Valuer and Appraiser, Institute of Valuers and Appraisers Singapore	Essential by SID-ISCA Msc in Quality Management by Portemonth University
			Provisional Member, Asia Pacific Institute of Experts (Valuation)	
			WIPO open-ended List of Experts Specialized in IP Valuation, World Intellectual Property Organisation (United Nations)	
			Intellectual Property Office of Singapore's List of Experts in IA/ IP Valuation	
			Fellow Chartered Accountant, Institute of Singapore	
			Chartered Accountants Chartered Accountant, Institute of Chartered Accountants in England and Wales	
			Business and Finance Professional, Institute of Chartered Accountants in England and Wales	
			Master of Business Administration, Nanyang Technological University (Singapore)	
			Master of Science in Applied Finance, Singapore Management University	
			Bachelor of Engineering (Honours), National University of Singapore	

		MR BASIL CHAN	MR STEVE CH	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
Working experience and occupation(s) during the past 10		MBE Corporate Advisory Pte Ltd (2003 to present) Managing Director	1. 2011–2018 Ennoconn C (Taiwan, public)	President Corporation blic)	President and Board Director of Vecow Co, Ltd. (2010 – present) Founded Vecow in Oct 2010	1. Group Chief Executive Officer, Rajah & Tann Technologies Pte. Ltd. (2002-Chreant)	Vice President of Quality & Operation and Member of the Financial Board in Toshiba TEC Singanore Pred 14 Since 2004
	ъ,	~ 0	<ol> <li>2018-now/Chair Ennoconn C (Taiwan, public)</li> </ol>	2018-now/Chairman & CEO, Ennoconn Corporation (Taiwan, public)	<ul> <li>Business planning and go-to-market strategies,</li> </ul>	2. Chief Operating Officer, Boustead Projects Limited	- Present:
		Non-Executive Director (1 August 2024 to 24 October 2024) Independent and	3. 2019-now/Boa Management	2019-now/Board Director, Management board of	Including market segmentation, product definition, sales planning,	(2018 – 2022) 3. Vice President/Head,	
		Non-Executive Chairman (24 October 2024 to Dresent) Non-Independent	Marketech Interna Corp. (Taiwan, public)	International an, public)	marketing activities, budgeting and financial fulfillment	Business Development, TeleChoice International Ltd (2008 - 2018)	
	ç	and Non-Executive Chairman	4. 2017-now/De Board Direct	2017-now/Deputy Chairman/ Board Director of Kontron AG	60		
	'n	Broadway Industrial Group Limited (2019 to present) Independent	(Germany, public) 5. 2014 - n o w / C h	(Germany, public) 2014 - now / Chairman.	establishment, including talent recruitment, development review and		
		20 N 0		CASWell, Inc. (Taiwan, public)	management in divisions of administration, sales		
		Lead Independent and Non-Executive Director	<ol> <li>6. 2014-now/Cl</li> <li>Technology (</li> <li>public)</li> </ol>	2014-now/Chairman, GoldTek Technology Co., Ltd. (Taiwan, Dublic)	& marketing, product management, R&D, procurement manufacturing.		
	4.	nunica: pres	7. 2018-now/Chairman,	Chairman, AIS	quality control, shipping and order fulfillment.		
		Non-Executive Director	Cayman Technolo (Cayman, Private)	Cayman lechnology Group (Cayman, Private)	- Marketing activities, including		
		2024) Independent and Non-Frecutive Chairman	8. 2018-now/Bc Cavman Ter	2018-now/Board Director, AIS Cavman Technology Group	20		
			(Cayman, Private)	ivate)	2		
		and Non-Executive Director	9. 2016-now/Cl		e sales		
	5.	Memories (2022) Pte. Limited (2023 to present)	recrinology Ltd. Private)	LLU. (Talwan,	and distribution channels recruitment development		
		Non-Executive Director (1 August 2024 to present)	10. 2020-now/C Technology	2020-now/Chairman, PosLAB Technology Corp. (Taiwan,	review and management		
		Non-Executive Chairman	Private)		- Financial planning in corporate investment,		
			11. 2014-now/B Ennoconn Investment C Private)	2014-now/Board Director, Ennoconn International Investment CO, LTD. (Taiwan, Private)	pu		
			12. 2023-nov Ennoconn Investment ( Private)	2 O 2 3 - n o w / C h a i r m a n , Ennoconn International Investment CO, LTD. (Taiwan, Private)			
			13. 2023-nov Ennoconn Holdings Co Private)	2023-now/Chairman, Ennoconn Investment Holdings Co., Ltd (Samoa, Private)			

	MR BASIL CHAN	MR STEVE CHU. FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
		14. 2024-now/Board Director, Innovative Systems Integration Limited (Hong Kong, Private)			
		<ol> <li>2023-now/Board Director, Ennoconn Solutions Singapore Pte. Ltd. (Singapore, private)</li> </ol>			
		<ol> <li>2024-now/Board Director, EnnoAl Solutions Singapore Pte. Ltd. (Singapore, private)</li> </ol>			
		17. 2015-now/Board Director, EnnoMech Precision Co., Ltd. (Taiwan, private)			
		<ol> <li>2024-now / Board Director, Ennoconn Solutions (Thailand) Co, Ltd. (Thailand, private)</li> </ol>			
Shareholding Interest in the listed issuer and its subsidiaries	No	No	ON	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Ŷ	Ŝ	Ŝ	Ŝ	Ŷ
Conflict of Interest (including any competing business)	Q	No	ON	Q	OZ
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes

	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
Other Principal Commitments* Including Directorships#					
Past (for the last 5 years)	<ol> <li>Independent and Non-Executive Director, AEM Holdings Ltd (2006 - 2022)</li> </ol>	Ĩž	1. President and Board Director 1. of Vecow Co., Ltd.	1. DSCO Group Holdings Pte Ltd	<ol> <li>Executive Director in year 2011 to 2020 for Toshiba TEC Singapore Pte Ltd.</li> </ol>
	2. Independent and			<ol> <li>Boustead Funds Management Pte. Ltd.</li> </ol>	2. Director of ENNOAI
	Non-Executive Director Global Invacom Group Limited (2012 - 2020)			3. Snakepit-BP 1 Pte. Ltd.	SOLUTIONS SINGAPORE PTE LTD since 4 Oct 2024 - resigned on 22 Oct 2024
	3. Independent and Non-Evolution Director			4. Echo Base-BP Capital Pte. Ltd.	
	Memories Group Limited (2017 – 2023)			5. BP-TPM1 Pte. Ltd.	
				6. Credence Lab Pte. Ltd. (Struck Off)	



		MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
Present	÷	MBE Corporate Advisory Pte Ltd – Managing Director	1. 2018-now/Chairman & CEO, Ennoconn Corporation (Taiwan, public)	1. President and Board Director of Vecow Co., Ltd.		Lead Independent and Non- Executive Director, Pacific Radiance Ltd	<ol> <li>Vice President of Quality &amp; Operation and Member of the Financial Board in</li> </ol>
	5.	Grand Banks Yachts Limited - Non-Independent and Non-Executive Chairman	d Director, board of	2. Board Director of Array Networks	5	Non-Executive Director, APX Technologies Pte Ltd	Toshiba TEC Singapore Pte Ltd. Since 2004 - Present
	Υ	Broadway Industrial Group Limitad – Lead Indenendent		3. Board Director of American Industrial Systems, Inc. (USA)	ς.	Non-Executive Director, NACT Fngingering Ptelltd	2. Partner for The Trio Essentials since 26 June 2024 - Present
	~	and Non-Executive Director	Chairman/ Kontron AG	4. Board Director of AIS (Cayman Islands)	4.	Non-Executive Director,	-
	4	Nera Telecommunications Ltd – Lead Independent and Non-Executive Director	(Germany, public) 4. 2014 - n ow / Chairman, CASWell Inc. (Taiwan public)	5. Board Director of Ennoconn Solutions Singapore Pte. Ltd.	5.	Wizvision Fte Ltd District Councillor, South East Community Development	
	ъ.	Memories (2022) Pte. Limited – Non-Executive Chairman	5. 2014-now/Chairman, GoldTek				
			Technology Co., Ltd. (Taiwan, public)		Ö.	Group Chief Executive Officer, Rajah & Tann Technologies Pte. Ltd.	
			6. 2018-now/Chairman, AIS Cayman Technology Group (Cayman, Private)			0	
			7. 2018-now/Board Director, AlS Cayman Technology Group (Cayman, Private)				
			8. 2016-now/Chairman, Dexatek Technology Ltd. (Taiwan, Private)				
			9. 2020-now/Chairman, PosLAB Technology Corp. (Taiwan, Private)				
			<ol> <li>2014-now/Board Director, Ennoconn International Investment CO, LTD. (Taiwan, Private)</li> </ol>				

		MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR FRIC VILLING-HSIAO	MR RAYMOND I UM WAI MENG	MS JENNY TENG MULKEOW
			11. 2023 - n ow/Chairman, Ennoconn International Investment CO., LTD (Taiwan, Private)			
			12. 2023-now/Chairman, Ennoconn Investment Holdings Co., Ltd (Samoa, Private)			
			13. 2024-now/Board Director, Innovative Systems Integration Limited (Hong Kong, Private)			
			14. 2023-now/Board Director, Ennoconn Solutions Singapore Pte. Ltd. (Singapore, private)			
			15. 2024-now/Board Director, EnnoAl Solutions Singapore Pte. Ltd. (Singapore, private)			
			16. 2015-now/Board Director, EnnoMech Precision Co., Ltd. (Taiwan, private)			
			17. 2024-now/Board Director, Ennoconn Solutions (Thailand) Co, Ltd. (Thailand, private)			
<ul> <li>a) Whether at ar time during th last 10 years, a papplication or petition unda any bankruptchaw of an jurisdiction was filed again, a partner ship of which he was a partner at th time when h was a partner at any time within 2 year from the date h ceased to be partner?</li> </ul>	Whether at any time during the last 10 years, an application or a petition under any bankruptcy jurisdiction was filed against him or against him or against him or against him when he which he was a partner at the time when he was a partner within 2 years from the date he ceased to be a partner?	Q		SZ	2	2

	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
<ul> <li>b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director of that entity or at any time within 2 years from the date he ccased to be a director or an equivalent person or a key executive of that entity or where that entity or, where that entity or that entity entity entity or that entity or that entity or that entity</li></ul>	° Z	2	2	2	Ŝ
<ul> <li>c) Whether there is any unsatisfied judgment against him?</li> </ul>	° Z	9 Z	٥N	9 2	oz

		 MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
τ	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is purishable with imprisonment, or has been the subject of any criminal proceedings (including any proding criminal proceedings of which he is aware) for such purpose?	Ŷ	Ŝ	2	2	°Z
e	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or that relates to the securities or thutures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	°Z	Ŝ	Ŝ	2	° Z

		2	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
	styles a we set of the			2	° Z	2	° Z
<ul> <li>g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?</li> </ul>	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	°Z		2	°Z	2	<u>9</u>



	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
<ul> <li>Whether he has ever, to his has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of-</li> </ul>					
i a n y corporation w h i c h has been for a breach of any law or requirement go ver ning corporations in Singapore or elsewhere; or	Yes Stratech Systems Limited Mr Chan was a non-executive independent director of Stratech Systems Limited and was not involved in the day-to-day on commercial Affairs by the Commercial Affairs Department ("CAD") as a member of the board. From his understanding at that time, the investigation pertained to an investigation pertained to an investigation pertained to an announcement regarding the outcome of a legal case brought by a former director. As far as Mr Chan is aware, the matter has by a former director. As far as made against any director. AEM Holdings Limited – Mr Chan was a non-executive independent director of AEM Holdings Limited which announced in May 2007 that seven of its employees (including its Chief Executive Officer) were under investigation by the Corrupt Practices Investigation Bureau ("CPIB") and Mr Chan assisted the CPIB in their investigation. Mr Chan was appointed to the Board on 8 March 2006 and these events occurred prior to his appointment. The then Chief the secutive Officer was eventually charged and charged and charged for	ž	Ŝ	£	2
	-				

	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
	Lindeteves-Jacoberg Limited - Mr Chan was a non-executive independent director of Lindeteves-Jacoberg Limited and was not involved in the day-to-day operations of the company. In May 2007, after he stepped down from the board, he attended as a witness to assist CAD in investigating an insider trading transaction by another director. He was asked about the timeline when the board was informed of certain events. He was not involved in the insider trading allegations, as he held no shares in the company.				
<ul> <li>any entity (not being a corporation) w h i c h has been investigated for a breach of any law or reg ulatory requirement g o verning such entities in Singapore or els ewhere; or</li> </ul>	Ŝ	Ŝ	٥	2	δ
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	° Z	Ŷ	Q	2	Q

	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
iv. any entity or business trust which has been investigated for a business for any law or requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	Yes Please refer to the response to (j)(i) above.	Ŷ	2	Ŷ	Ŝ
<pre>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded any warning, by the Monetary Authority of Singapore or any other regulatory a u t h or i t y, e x c h a n g e, profession al body or g ov ernment agency, whether in Singapore or elsewhere?</pre>	Ŝ	Ŝ	2	Ŝ	° Z

	MR BASIL CHAN	MR STEVE CHU, FU-CHUAN	MR ERIC YU, LING-HSIAO	MR RAYMOND LUM WAI MENG	MS JENNY TENG MUI KEOW
Disclosure applicable	Disclosure applicable to the appointment of Director only	y			
Any prior experience as a director of a listed company?	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
If yes, please provide details of prior experience.					
if no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons					
for not requiring the director to undergo training as prescribed by the Exchange (if applicable).					

### NERA TELECOMMUNICATIONS LTD

(Incorporated In the Republic of Singapore) COMPANY REGISTRATION NO.: 197802690R

### IMPORTANT:

- 1. A Relevant Intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see Note 4 for the definition of "Relevant Intermediary").
- For investors who have used their CPF or SRS monies to buy Nera Telecommunications Ltd's shares, the Annual Report 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 or SRS investors and shall be ineffective for all intents and purposes if used or purported
- 3. This Proxy Form is not valid for use by CPFIS or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- 4. CPFIS 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.

### PROXY FORM

*I/We,	(Name)	(NRIC/Passport/Company Registration Number*)
of		(Address)

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

Name	NRIC/Passport Number	Proportion of Share be represented	•
		No. of Shares	%
Address:			

\*and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Share be represented	•
		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 Annual General Meeting ("**AGM**") of the Company to be convened and held at Temasek Club, Brani Room, 131 Rifle Range Road, Singapore 588406 on Tuesday, 29 April 2025 at 3.00 p.m. and at any adjournment thereof.

\*I/We direct \*my/our proxy/proxies to vote for or against the Ordinary Resolutions, or abstain from voting on, the resolutions to be proposed at the AGM 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.

No.	Resolutions relating to:	For <sup>#</sup>	Against <sup>#</sup>	Abstained <sup>#</sup>	
AS ORDINARY BUSINESS					
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Directors' Statement and the Independent Auditor's Report thereon.				
2.	To re-elect Mr Basil Chan as Director.				
3.	To re-elect Mr Chu, Fu-Chuan as Director.				
4.	To re-elect Mr Yu, Ling-Hsiao as Director.				
5.	To re-elect Mr Lum Wai Meng as Director.				
6.	To re-elect Ms Jenny Teng Mui Keow as Director.				
7.	To approve the payment of Directors' fees of S\$291,400 for the financial year ending 31 December 2025, to be paid quarterly in arrears. (FY2024: S\$271,000)				
8.	To re-appoint Messrs $Ernst\ \&\ Young\ LLP$ as Auditors of the Company and to authorise the Directors to fix their remuneration.				
AS SPECIAL BUSINESS					
9.	To authorise Directors to allot and issue shares.				

\* Delete as appropriate.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Total number of shares in	No. of Shares		
(a) CDP Register			
(b) Register of Members			

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

IMPORTANT. Please read notes overleaf.

### NOTES:

- 1. A member who is unable to attend the AGM may appoint not more than two proxies to attend, speak and vote at the general meeting 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 have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, 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 proxies to attend, speak and vote at the AGM, 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.

### \*Relevant Intermediary is:

- (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 license 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 a Resolution in the form of proxy, and if there is no specific instruction as to voting or abstentions from voting in respect of a 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 3.00 p.m. on Saturday, 26 April 2025, being no later than 72 hours before the time fixed for the AGM, 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 Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting 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 AGM.
- 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 AGM, 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 AGM dated Monday, 14 April 2025.



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19 Tai Seng Avenue, #06-01 Singapore 534054 Tel: (65) 6233 2433 Fax: (65) 6233 2466 WWW.NERA.NET CO. REG. NO: 197802690R

