

# CORPORATE GOVERNANCE REPORT

Nera Telecommunications Ltd (the “Company” or the “Group”) 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 2025 (“FY2025”) 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:

- (a) 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 Andy Wang, Yung-Hsiang, being a newly appointed Director in FY2025, is in the process 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 July 2026. Further, as an update, Mr Steve Chu, Fu-Chuan, Mr Eric Yu, Ling-Hsiao and Ms Jenny Teng Mui, being newly appointed Directors in FY2024, have completed the mandatory training, including the mandatory sustainability training, as prescribed by the SGX-ST.

### *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.

## *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;

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- (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 FY2025, the Company held six (6) 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 FY2025 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.

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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 2025 is set out below:

2025 Meeting Attendance*	Board Meetings	Audit and Risk Management Committee Meetings	Remuneration Committee Meetings	Nominating Committee Meetings	General Meetings <sup>1</sup>
Number of meetings held in FY2025	6	5	3	3	2
Name of Directors	Number of meetings attended				
Mr Steve Chu, Fu-Chuan, Chairman <sup>2</sup>	6/6	5/5	3/3	3/3	2/2
Mr Basil Chan	6/6	5/5	3/3	3/3	2/2
Mr Eric Yu, Ling-Hsiao <sup>3</sup>	6/6	5/5	3/3	3/3	2/2
Mr Raymond Lum Wai Meng	6/6	5/5	3/3	3/3	2/2
Ms Jenny Teng Mui Keow	6/6	5/5	3/3	2/3	2/2
Mr Andy Wang, Yung-Hsiang <sup>4</sup>	2/2	2/2	–	1/1	–

\* Referred to meetings held/attended while each Director was in office in FY2025.

- 1 During FY2025, one (1) Annual General Meeting and one (1) Extraordinary General Meeting was held.
- 2 Mr Steve Chu, Fu-Chuan was re-designated as the Executive Chairman and Executive Director of the Company with effect from 8 April 2025.
- 3 Mr Eric Yu, Ling-Hsiao was re-designated as an Executive Director of the Company with effect from 1 July 2025.
- 4 Mr Andy Wang, Yung-Hsiang was appointed as a Non-Independent Non-Executive Director of the Company with effect from 1 July 2025. Mr Andy Wang, Yung-Hsiang was invited to attend the NC meeting in question in relation to his appointment.

## 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.

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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 six (6) Directors, two (2) of whom are Executive Directors, 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, although the Company is in compliance with the Listing Rules as the Independent and Non-Executive Directors make up more than one-third of the Board (three (3) Independent and Non-Executive Directors out of a six (6) member Board), the Company acknowledges that this constitutes a variation from Provision 2.2 of the Code as the Independent Directors do not make up a majority of the Board when the Chairman is not independent. Nonetheless, the Company is of the view that the intent of Principle 2 was met, as the Company had implemented measures to provide a strong independent element on the Board. These measures include the following:

- (a) having a Lead Independent Non-Executive Director who is available to Shareholders if they have concerns;
- (b) the Chairman of various Board Committees (ARMC, RC and NC) are Independent Non-Executive Directors;
- (c) the ARMC comprises a majority of Independent Non-Executive Directors and entirely of Non-Executive Directors as its members;
- (d) the RC comprises entirely of Independent Non-Executive Directors as its members;
- (e) the NC comprises a majority of Independent Non-Executive Directors as its members; and
- (f) at the Board level, generally, the Independent Non-Executive Directors would be able to ensure that all matters to be passed are in the interests of the Company and minority shareholders, as at least one (1) Independent Non-Executive Director must vote in favour of the proposed resolutions in order for majority of the Board to approve the matters in question (i.e., the two (2) Executive Directors and one (1) Non-Independent Non-Executive Director are not able to pass resolutions on their own).

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As such, there is still 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. Hence, the Company is of the view that it has complied with the intent of Principle 2 despite varying from Provision 2.2.

## *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 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 any immediate family members who are employed by the Company or any of its related corporations in the current or any of 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>1</sup>	Executive Chairman and Executive Director	–	–	–
Mr Basil Chan	Lead Independent Non-Executive Director	Chairman	Member	Chairman
Mr Eric Yu, Ling-Hsiao <sup>2</sup>	Executive Director	–	Member	–
Mr Raymond Lum Wai Meng	Independent Non-Executive Director	Member	Chairman	Member
Ms Jenny Teng Mui Keow	Independent Non-Executive Director	Member	–	Member
Mr Andy Wang, Yung-Hsiang <sup>3</sup>	Non-Independent Non-Executive Director	Member	–	–

<sup>1</sup> Mr Steve Chu, Fu-Chuan was re-designated as the Executive Chairman and Executive Director of the Company with effect from 8 April 2025.

<sup>2</sup> Mr Eric Yu, Ling-Hsiao was re-designated as an Executive Director of the Company with effect from 1 July 2025.

<sup>3</sup> Mr Andy Wang, Yung-Hsiang was appointed as a Non-Independent Non-Executive Director of the Company with effect from 1 July 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.

With reference to diversity, in terms of skills, knowledge, experience, amongst the Directors on the Board are IT, finance & accounting, operations & management, supply chain management, cybersecurity, mergers & acquisitions, and corporate governance. The Board as a whole possesses relevant and diverse expertise and skill sets for effective decision making. Key information regarding the profile of 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 FY2025), one (1) out of the six (6) 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 six (6) 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 provides 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 1 January 2025, Mr Steve Chu, Fu-Chuan was a Non-Independent Non-Executive Director. 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 Executive Chairman of the Company with effect from 8 April 2025, and he shall be responsible for the overall management of the Group.

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, including three (3) Independent Non-Executive 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 re-designated 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)
Mr Basil Chan	(Lead Independent Non-Executive Director)
Mr Eric Yu, Ling-Hsiao	(Executive Director)

During the year under review, the NC held three (3) meetings, which all members at the material times attended.

The principal functions of the NC are:

- (a) To identify candidates, review nominations for both appointment and re-appointment 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.

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.

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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 Directors 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)
- (ii) Mr Eric Yu, Ling-Hsiao (Regulation 94)

Further, the NC has recommended the nomination of the following Director retiring under Regulation 100 of the Constitution of the Company, for re-election at the forthcoming AGM:

- (i) Mr Andy Wang, Yung-Hsiang (Regulation 100)

Each of Mr Basil Chan, Mr Eric Yu, Ling-Hsiao and Mr Andy Wang, Yung-Hsiang 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 Eric Yu, Ling-Hsiao will remain as the Executive Director of the Board (Mr Eric Yu, Ling-Hsiao was re-designated as an Executive Director of the Company with effect from 1 July 2025 and concurrently relinquished his positions as a member of the Audit and Risk Management Committee and a member of the Remuneration Committee) and a member of the Nominating Committee; and Mr Andy Wang, Yung-Hsiang will remain as a member of the Audit and Risk Management 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.

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.

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## *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.

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.

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## *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 FY2025, 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.

## **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.

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## 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:

Mr Basil Chan (Chairman)	(Lead Independent Non-Executive Director)
Mr Raymond Lum Wai Meng	(Independent Non-Executive Director)
Ms Jenny Teng Mui Keow	(Independent Non-Executive Director)

During the year under review, the RC held three (3) meetings, which all members at the material times 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.

### *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 FY2025.

# CORPORATE GOVERNANCE REPORT

## 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 FY2025, no bonuses were paid to any of the Executive Directors and Key Management Personnel as the Company incurred a net loss for the year.

#### ***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 the remedies available under the law against the Key Management Personnel in the event of such incidents.

### *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.

# CORPORATE GOVERNANCE REPORT

The framework for Non-Executive Directors' fees for FY2025 is set out below:

	Chairman	Member
	S\$	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

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

The RC has proposed that the Directors' fees for FY2026 be set based on the table above. The Board concurred with the RC and recommended the same for approval by the shareholders at the AGM of the Company.

### ***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.

#### ***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.

## **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.

# CORPORATE GOVERNANCE REPORT

## Remuneration of Directors and the then-CEO

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 and the then-CEO for the year ended 31 December 2025 is as follows:

Remuneration and Fees/Name of Directors and the then-CEO	Fees (\$)	Salary (\$)	Bonus (\$)	Total (\$)
<b>S\$250,000 to S\$500,000</b>				
Remuneration paid to Executive Chairman and Executive Director Mr Steve Chu, Fu-Chuan <sup>(1)(2)</sup>	19,081	357,047	–	376,128
Remuneration paid to the then-CEO Mr Chong Hoi Ming <sup>(3)</sup>	–	434,705	–	434,705
	2%	98%	0%	100%
<b>Below S\$250,000</b>				
Remuneration paid to Executive Director Mr Eric Yu, Ling-Hsiao <sup>(1)(4)</sup>	24,850	80,004	–	104,854
	24%	76%	0%	100%
<b>Below S\$250,000</b>				
Fees paid to Independent and/or Non-Executive Directors				
Mr Basil Chan	72,900	–	–	72,900
Mr Raymond Lum Wai Meng	56,276	–	–	56,276
Ms Jenny Teng Mui Keow	46,800	–	–	46,800
<b>Below S\$250,000</b>				
Fees paid to Non-Independent and/or Non-Executive Director Mr Andy Wang, Yung-Hsiang <sup>(5)(6)</sup>	20,416	–	–	20,416
	240,323	871,756	–	1,112,079
<b>Total Remuneration and Fees</b>	<b>22%</b>	<b>78%</b>	<b>0%</b>	<b>100%</b>

### Notes:

(1) Director's fee was pro-rated for the period he served as a Non-Executive Director prior to his re-designation.

(2) Mr Steve Chu, Fu-Chuan was re-designated as the Executive Chairman and Executive Director of the Company with effect from 8 April 2025.

(3) Mr Chong Hoi Ming's last day of service with the Company was on 8 April 2025.

(4) Mr Eric Yu, Ling-Hsiao was re-designated as an Executive Director of the Company with effect from 1 July 2025.

(5) Director's fee was pro-rated for the period he served on the Board during FY2025.

(6) Mr Andy Wang, Yung-Hsiang was appointed as a Non-Independent Non-Executive Director of the Company with effect from 1 July 2025.

As disclosed in the Company's Annual Report for FY2024, the RC has proposed, and the Board has concurred, that the Directors' fees for FY2025 (which the fee structure for the Directors' fees for FY2026 was based on) would be adjusted to the reduced rates to assist the Company with cost savings. Please refer to the Company's Annual Report for FY2024 for further details.

# CORPORATE GOVERNANCE REPORT

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 five (5) highest paid Key Management Personnel 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 are set out below:

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 <sup>(3)</sup> Chief Financial Officer	100%	0%	100%	S\$250,000 – S\$500,000
Mr Tan Jon-Chiang Don Senior Vice President, Group Sales	100%	0%	100%	S\$250,000 – S\$500,000
Mr Yong Keh Soon <sup>(4)</sup> Senior Vice President, Solutions and Services	100%	0%	100%	S\$250,000 – S\$500,000
Mr Yeo Choon Sheng <sup>(5)</sup> Vice President, Group Solutions and Head of Presales	100%	0%	100%	Below S\$250,000
Mr Phil Jeon <sup>(6)</sup> Vice President of Cybersecurity	100%	0%	100%	Below S\$250,000
Total Remuneration of Top 5 Key Management Personnel	100% \$1,058,813	0% –	100% \$1,058,813	

### **Notes:**

(1) Salary includes allowances, benefits in-kind and statutory contributions.

(2) Bonus includes statutory contributions.

(3) Ms Tan Geok Leng Jacqueline's last day of service with the Company was on 9 December 2025.

(4) Mr Yong Keh Soon's last day of service with the Company was on 23 February 2026.

(5) Mr Yeo Choon Sheng's last day of service with the Company was on 19 September 2025.

(6) Mr Phil Jeon's last day of service with the Company was on 11 January 2025.

The Code recommends the disclosure of the aggregate remuneration paid to the top five (5) key management personnel (who are not Directors or the CEO).

## **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 FY2025.

# CORPORATE GOVERNANCE REPORT

## 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.

#### *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 2025.

#### *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 strive to achieve high standards in risk management and internal controls.

# CORPORATE GOVERNANCE REPORT

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 2025 to meet the needs of the Group's current business environment. The Board, has received written assurance from the Executive Chairman and the Financial Controller that:

- (a) the financial records have been properly maintained and the financial statements for FY2025 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.

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 Executive Chairman and the Financial Controller on the financial records and financial statements;

# CORPORATE GOVERNANCE REPORT

- (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 FY2025 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 FY2025, 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 FY2025.

# CORPORATE GOVERNANCE REPORT

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 2025.
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 2025.

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 FY2025 did not prejudice their objectivity and independence.

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.

# CORPORATE GOVERNANCE REPORT

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 FY2025	S\$'000	% of Total Fees
Total Audit Fees	500	84
Total Non-Audit Fees	93	16
Total Fees	593	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 Whistle-blowing 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.

# CORPORATE GOVERNANCE REPORT

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 [auditcommittee@nera.net](mailto:auditcommittee@nera.net) 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 Whistle-blowing 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.

There were no whistle-blowing reports received during FY2025.

## ***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:

Mr Basil Chan (Chairman)	(Lead Independent Non-Executive Director)
Mr Raymond Lum Wai Meng	(Independent Non-Executive Director)
Ms Jenny Teng Mui Keow	(Independent Non-Executive Director)
Mr Andy Wang, Yung-Hsiang	(Non-Independent Non-Executive Director)

During the year under review, the ARMC held five (5) meetings, which all members at the material times 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, and Mr Andy Wang, Yung-Hsiang, have recent and relevant accounting or related financial management expertise and experience to discharge the ARMC functions.

# CORPORATE GOVERNANCE REPORT

## *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.

# CORPORATE GOVERNANCE REPORT

## 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 reports, 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 FY2024 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 FY2025 will be held physically at 19 Tai Seng Avenue, #06-01, Singapore 534054.

#### *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.

# CORPORATE GOVERNANCE REPORT

## *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 48 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 <https://www.nera.net/investors/agm-and-egm-minutes> 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 FY2025 as the Management plans to conserve cash for the Group's working capital.

# CORPORATE GOVERNANCE REPORT

## 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, Complete Corporate Services 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 2025.

#### *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 (<http://www.nera.net/>).

# CORPORATE GOVERNANCE REPORT

The Chairman, the then Chief Financial Officer and all of the Directors were present at the 2025 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, half-yearly results and announcements. The Company's Investor Relations contact is also reflected on the website at <https://www.nera.net/investors/ir-contact>, 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 FY2025, 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 44 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 <https://www.nera.net/investors/ir-contact>, 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.

# CORPORATE GOVERNANCE REPORT

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.

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. The ARMC with the concurrence of the Board has confirmed that no other interested person transactions have been entered into during FY2025, save for those disclosed below pursuant to the disclosure under Rule 920 of the SGX-ST Listing Manual:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)	
		6 months ended 31 Dec 2025 \$'000	12 months ended 31 Dec 2025 \$'000	6 months ended 31 Dec 2025 \$'000	12 months ended 31 Dec 2025 \$'000
Management services income Ennoconn Solutions Singapore Pte. Ltd.	Controlling shareholder of the Company	-	-	211	451

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.

# CORPORATE GOVERNANCE REPORT

At the upcoming annual general meeting, the Company will be seeking to obtain shareholders' approval for the renewal of the 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"). The IPT General Mandate was first approved by shareholders at the extraordinary general meeting held on 29 April 2025. A circular dated 13 April 2026 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 has been despatched to shareholders together with the notice of AGM.

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.

## 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.