CSC HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Co. Reg. No. 199707845E)

Appendix 3 to Minutes of Annual General Meeting held on 30 July 2025

- **Summary of Questions & Answers**

Comment / Questions from Shareholders/Proxies

1. The Company has been in a deficit for so long and is profitable in FY2025. How long will the Company to be able to recover and be in the black instead of accumulated deficit position? How long will it take to cover the accumulated deficit?

   Dr Leong Horn Kee, Independent Non-Executive Chairman

   While we are not able to comment on any financial forecast, I can provide some context on known market conditions.

   The Group had some difficult years because of COVID, the Ukraine war and geopolitical tensions in the Middle East. These led to increases in supply and material costs, which affected our performance for three to four years.

   The industry is now in recovery and the Group was able to return to profitability in FY2025 and that is a good sign. As you saw in the presentation by the CFO earlier, our pipeline of projects and the expected construction demand are expected to remain strong. Our volume of activity in FY2025 is also higher than in the past few years. Based on current conditions, we are reasonably optimistic about market potential in the next few years.

   In FY2025, we recorded a profit, so the Board has proposed a final dividend to reward and recognise all our longstanding shareholders for your support over the past few difficult years, subject to your approval at this meeting.

   While we cannot comment on future performance, we are hopeful that the market looks strong and that our market position in Singapore will allow us to capture opportunities.

2. Recently, the newspapers have reported that integrated resorts (casinos) are going to expand. Has the Company participated in these?

   Dr Leong Horn Kee, Independent Non-Executive Chairman

   For all new construction projects, tenders are typically called at the main contractor level. They will then work with specialist subcontractors like us to provide quotations.

   There are many projects coming up, including the integrated resort expansions, government infrastructure projects, and Changi Airport Terminal 5. These are good projects that are large in scale. Even if we are not directly involved, the involvement of other contractors in these projects may free up opportunities elsewhere in the market.

   At this stage, however, we are unable to disclose details of specific projects until they are being announced publicly.

Koo Chung Chong, Executive Director/Deputy Group CEO/Group COO/CSO

We have worked with some friendly competitors to explore collaborating on the integrated resort project. After due considerations, we assessed that the price was not right and the project presented significant challenges due to its location in the city centre, including restricted working hours and logistical constraints such as strict limitations on concrete delivery timings and site access, while the contract period was relatively short.

In view of these constraints and pricing considerations, we decided not to participate further on this project.

3. Could these difficulties be overcome?

Koo Chung Chong, Executive Director/Deputy Group CEO/Group COO/CSO

In considering projects, we always compare with options that are available in the market. If there are alternatives that offer better margins and require fewer resources, it makes more sense for us to take on such projects, instead of those that offer less favourable pricing and conditions.

For this project, we felt that the pricing offered did not justify the challenges involved.

4. It looks like we missed out on opportunities.

Koo Chung Chong, Executive Director/Deputy Group CEO/Group COO/CSO

It is not the only project available on the market and there are plenty of opportunities everywhere. This particular project is not an easy one. For example, it requires that a diaphragm wall of over a hundred metre depth has to be constructed, which may be a first time for the construction industry in Singapore.

So, while there are opportunities, there are also corresponding risks. As management, we need to weigh risks against opportunities and returns and make decisions in the best interest of the Company.

5. The net cash from operating activities in FY2025 is lower than in FY2024. Why is that the case?

Dr Leong Horn Kee, Independent Non-Executive Chairman

Cash flow can vary from year to year, depending on various factors including when and how much we pay contractors and also when we receive payment from customers. While we are monitoring our cash flow, the more important consideration is whether we have sufficient cash reserves on our balance sheet and available credit lines.

Yen Chee Loong, Group CFO

With reference to page 82 of our Annual Report, there is a reduction of $5 million in net cash from operating activities in FY2025 ($17 million) compared to FY2024 ($12 million).

A key reason for the reduction is because the Group collected a significant amount of long-outstanding retention monies last year, which resulted in a boost to operating cash flow in FY2024. While these old retention monies have been collected, the Group continues to have over $30 million of retention monies outstanding. The Group is making efforts to ensure their collection as they fall due, to the extent that we may request for early release of retention monies where appropriate.

As such, the reduction in cash flow from operating activities is mainly due to absence of higher recovery of retention monies in FY2025 as compared to FY2024.

6. So, the reason is not due to a customer that couldn't pay?

Yen Chee Loong, Group CFO

No, that is not the reason. The collection of retention monies is always according to contractual due dates. It so happened that a significant amount of these retention monies became due in FY2023 and FY2024.

In addition, the Group also made active effort to request earlier release of certain retention monies, which helped to bolster our cash flow in those two financial years. As shareholders may recall, in the past two years, the Group's financial performance was less positive, which affected our operating cash flow. So, proactive collection of retention monies is one method to improve the Group's cash flow to support operations.

7. So, in other words, what would be your operating results for next year?

Yen Chee Loong, Group CFO

With the Group turning profitable in FY2025, our EBITDA should improve. We are working towards an improvement over $12 million in terms of net cash flow from operating activities. As we continue to work on projects, some of the retention monies will also become due.

With revenue at around $300 million every year, there are about $15-20 million in retention monies being held every year. Typically, the retention period is around two to four years. So, as jobs are completed and retention periods end, we will be able to collect these retention monies, which will be recycled back into the Group to support future projects.

8. What do you think of the Company's growth and revenue? Do you do any forecasting?

   Yen Chee Loong, Group CFO

   Yes, we do forecasts internally. As Mr. Koo mentioned earlier, we are now more selective of the jobs we take on. It is not only about growing the top line – we are also focused on the bottom line.

   We want to take on jobs that contribute positively to our profitability, which ultimately translate to higher value for our shareholders. For instance, we evaluated the integrated resort expansion project and felt the pricing and conditions were too challenging. We thus decided not to pursue it.

   As I presented earlier, our order book is relatively healthy now, close to 80% full. With this, we have the flexibility to be more selective and focus on getting quality jobs with better margins.

9. Don't be selective. If you see the opportunity, you must go forward. If you see the opportunity to make money, you must go forward. Now is the time, the Company will grow.

   Dr Leong Horn Kee, Independent Non-Executive Chairman

   The Company takes a measured approach to be intentionally selective in the tenders we pursue, for good business reasons. Some tenders may look attractive, but come with low margins or complex work requirements. The risks, such as issues and events out of our control, can also be very high, leading to escalating costs and turning potential profit into loss. For the integrated resort project, for instance, we evaluated the opportunity and made the decision not to proceed, due to the risks and high costs involved.

   That said, the construction market is currently very strong and there are many other opportunities available. Given our market position as a premium, good-quality, reputable and recognised contractor, we are in a position to be more prudent and selective. Our approach is to choose jobs that we can execute well, offer decent margins and contribute positively to our bottom line – so that we can make a profit and deliver value to our shareholders.

   While we understand the sentiment to grab any opportunity that comes by, we prefer not to take that approach.

10. We have not received dividends for many years. Why is the dividend only $0.00035? Since the Company is making profits now, can the Company afford to pay a bit of a higher dividend to us?

    Dr Leong Horn Kee, Independent Non-Executive Chairman

    We would like to be able to pay more, but there are certain factors the Board has to consider when recommending or declaring dividend payments. First of all, I want to assure you that we have checked and confirmed that we are legally allowed to pay dividends. There are situations whereby companies are not allowed to pay dividends if their financials are too weak.

    The past three years have been difficult as the Company was loss-making and it would have been hard to justify any payment of dividends during those years.

    For FY2025, we have been able to make modest profit, and the Board felt we should reward our shareholders for their patience. So, after careful consideration, the Board has decided to propose a final dividend for FY2025.

    Then, the next question is how much? If we pay out too much, there is a risk that our balance sheet will be weakened. So, there has to be a balance. The proposed final dividend of S$0.00035 per share is about 50% of our FY2025 profit. The dividend payout ratios for most companies range from 30% to 70%.

    After considering all the factors, we decided on this dividend payout amount. If the Company continues to perform well in the years ahead, the Board will certainly review how we can further reward shareholders.

11. We already tolerated so long (a period without dividends).

    Dr Leong Horn Kee, Independent Non-Executive Chairman

    We understand how you feel and we also felt the same way too. We noted your point.

    Every company wants to perform well, pay dividends, and then keep shareholders happy. But the reality is that we went through a difficult stretch and we operate in a very competitive industry.

12. Is CSC the only company that operates in this line of business?

    Dr Leong Horn Kee, Independent Non-Executive Chairman

    We are not the only company in this line of business/work. The industry has become increasingly competitive, especially with more Chinese contractors entering the market in recent years.

13. Mr. Roland Ng is not sitting here today?

Dr Leong Horn Kee, Independent Non-Executive Chairman

As mentioned at the start of this meeting, Mr. Ng has an important business commitment and is unable to join us today. As such, I have conveyed my apologies on his behalf at the start of the meeting.

14. So, how many directors are there?

Dr Leong Horn Kee, Independent Non-Executive Chairman

The Company has a total of six directors.

15. Are the directors all paid equally?

Dr Leong Horn Kee, Independent Non-Executive Chairman

Executive Directors do not receive directors' fees. Only Independent and Non-Executive Directors are paid directors' fees. The amounts of Directors' remuneration and fees are all disclosed in the Annual Report.

16. So, if executive directors don't get paid by directors' fees, how are they paid?

Dr Leong Horn Kee, Independent Non-Executive Chairman

Executive Directors are part of management and they receive salaries, not directors' fees. Independent directors receive directors' fees in line with their own roles and responsibilities.

17. How much are you increasing the directors' fees this year?

See Yen Tarn, Executive Director/Group CEO

There was no increase in directors' fees. In fact, in the year before, as a show of solidarity and togetherness with the Company's stakeholders, there was a 10% reduction of the basic Directors' fees for FY2025.

This year, in view of the Company's performance, the Board has accepted the recommendation of the Remuneration Committee and agreed the reinstatement of the basic directors' fee for FY2026 to previous levels before the 10% reduction. There was also a change in Board composition as one Independent Director retired and a new Independent Director was appointed. Apart from those, there were no significant changes.

18. Would the slight increase in directors' fee affect the Company's financial position?

    Dr Leong Horn Kee, Independent Non-Executive Chairman

    As Mr. See Yen Tarn mentioned, the proposed directors' fees for FY2026 were not increased but instead reinstated to earlier levels before a voluntary reduction in the basic directors' fees in the last financial year. The amount involved is small and does not affect the Company's financials.

19. Your borrowings have increased compared to the previous year. So, you must be very careful in your payments.

    Dr Leong Horn Kee, Independent Non-Executive Chairman

    As the business grows, some increase in borrowings is needed to sustain the operations. The increase is manageable. As mentioned earlier, EBITDA, a key indicator for the Company, has been positive even during the difficult years, indicating that the business is still generating healthy operating cash flow.

20. Since the directors' fees are paid quarterly, why can't dividends be paid to shareholders quarterly too?

    Dr Leong Horn Kee, Independent Non-Executive Chairman

    Payment of directors' fees and dividends are different. If approved by you at this meeting, the final dividend for FY2025 will be paid in full on 10 September 2025.

21. There are some companies that give dividends every quarter.
    They have interim dividends and then final dividend.

    Dr Leong Horn Kee, Independent Non-Executive Chairman

    Yes, there are companies that declare interim dividends. But, for us, since this is the first dividend we are declaring after several years, we have chosen to distribute it in one tranche. The payment will be made on 10 September 2025. If approved, directors' fees, on the other hand, are paid quarterly in arrears.

22. Can dividends be based on quarterly profit, with more dividend payouts if a quarter improves?

    Ong Tiew Siam, Independent Director

    There are companies that declare interim and final dividends. However, the risk is that, if profitability for the full year is uncertain and dividends are declared too early, the company may breach some of the financial covenants with lenders or other existing financial arrangements. So, we will have to take all these into consideration before we decide. For our case, we assessed and decided not to declare interim dividends. We prefer to finalise the full year results before proposing the dividend.

23. The share price is very low – what is the purpose of issuing shares?

Dr Leong Horn Kee, Independent Non-Executive Chairman

If approved, the share issue mandate will allow us to issue shares in the event that the Company needs to raise funds or do any share issuance, subject to conditions at that point in time. It does not mean that the Company is issuing shares now. We are not using the share issue mandate to issue shares at a low price.

24. How could more shares be issued if the share price is already low?

Dr Leong Horn Kee, Independent Non-Executive Chairman

It's not a matter of price - it's about having the option and flexibility. The share issue mandate gives us the flexibility to move efficiently, without the need to call an extraordinary general meeting, if fundraising events/ opportunities arise. We have no plan to issue new shares now.

25. Are share buybacks conducted through the market or from the shareholders?

Dr Leong Horn Kee, Independent Non-Executive Chairman

Our share buybacks are conducted through the market. Buying back shares from you/shareholders will involve a different arrangement. Typically, you sell to the market and the Company buys from there.

26. If you buy from the shareholders, you must weigh it. Because share buyback will not be good for the Company

See Yen Tarn, Executive Director/Group CEO

The Singapore Exchange has stringent rules for share buybacks. Any buybacks will be carried out in accordance with SGX's guidelines.