

**CSE GLOBAL LIMITED**  
(Company Registration No. 198703851D)  
(Incorporated in Singapore)

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**ANNUAL GENERAL MEETING TO BE HELD ON 21 APRIL 2025  
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS**

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CSE Global Limited (the “**Company**” or “**CSE**”) would like to thank Shareholders who submitted their questions in advance of our Annual General Meeting (“**AGM**”) which will be convened and held, in a wholly physically format, at Suntec Singapore Convention & Exhibition Centre, Room No. 324 & 325 (Level 3), 1 Raffles Boulevard, Singapore 039593 on Monday, 21 April 2025 at 2.30 p.m.

The Board’s responses to these questions are set out in Appendix 1 and also published on the Company's website at <https://cseglobal.listedcompany.com/ar.html>.

The Board looks forward to Shareholders' attendance and participation at the AGM.

## Appendix 1

### RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDERS

No.	Questions Received	CSE's responses
1.	<p>With the global trading environment in a flux due to the frequent changes on tariff policy by the Trump administration, could the management shed some light on the following?</p> <ol style="list-style-type: none"> <li>momentum of enquiries or tendering activity in the US and various markets since imposition of reciprocal tariffs by the US on 2<sup>nd</sup> Apr;</li> <li>any requests from clients to delay execution of projects;</li> <li>likelihood of tariffs impacting margins for projects already secured in the US;</li> <li>main areas of concerns for business in the US should the tariff policy persists.</li> </ol>	<ol style="list-style-type: none"> <li>To date, we have not seen any slowdown in momentum of enquiries or tendering activities in the US or various markets as a result of the imposition of reciprocal tariffs imposed by the US.</li> <li>We have not received any requests from clients to delay the execution of projects.</li> <li>The equipment required for secured projects has been procured at committed prices, hence we expect limited impact on margins.</li> <li>Some of our suppliers, especially the equipment manufacturers, do import raw materials or components from outside the US to manufacture their products. Hence, even though CSE sources most of its products locally, these suppliers may potentially raise prices if the costs of raw materials or components increase. CSE would have to pass on these cost increases to its customers, especially for future orders. As a risk mitigating measure, CSE will endeavour to put in place price escalation provisions in the new contracts to pass on such price increases.</li> </ol> <p>For short term sale or rental of radio communication equipment, the sales cycle is usually quite short, which means that customers are also placing new orders with the new prices. Hence, it is possible for us to pass on the potential price increase to our customers.</p> <p>In summary, given most of our orders are short dated, we should be able to price our new orders accordingly.</p> <p>For any existing projects with prices locked in with our customers, we will mitigate by way of accelerating the procurement of the required products before the price increase takes effect or working with our suppliers to look for alternative sourcing options.</p> <p>These are early days of US-China trade war, and whilst we have taken steps to minimise our exposures, in a fast-developing situation such as this, we will continue to adapt as necessary.</p>

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2.	<p>Last year during the AGM, the old chairman Lim Ming Seong was voted out. Since then, the dividend was cut from 2.75 cents to 2.4 cents. A recent dividend guidance seems to suggest that going forward, the dividend would be cut further based on a new 50% dividend guidance. Will the new Chairman of CSE Global board commit to be as shareholder friendly as the previous? What (new) changes does the new Chairman of CSE Global Ted Tan intend to bring about for the company? Please explain and elaborate.</p>	<p>As a clarification, the dividend guidance is for a <b>minimum</b> of 50% of NPAT and not fixed at 50% of NPAT. Based on the total dividend of 2.4 cents per share for FY2024, the total dividend payout ratio will be 64%.</p> <p>The new dividend guidance is intended to achieve the following:</p> <ol style="list-style-type: none"> <li>1. Strengthen CSE's foundation for future growth. We intend to invest in high-potential areas synergistic to our business including Electrification and Critical Communications e.g. expanding our manufacturing capacities for electrification through acquisition of a larger real estate and investing in technology and innovation to stay future-ready.</li> <li>2. Ensure financial resilience in a volatile business environment. Retaining part of our earnings enables us to build a stronger buffer against macroeconomic shocks, currency volatility, and supply chain disruptions.</li> </ol> <p>This dividend approach enables CSE to stay future-ready, fuel sustainable growth, and reward our shareholders with both immediate and long-term value.</p> <p>In addition, the Chairman, together with the rest of the Board, intends to focus on building long-term shareholder value through stronger operational execution, geographic expansion and continued investment in management bench strength.</p>
3.	<p>While CSE Global has been growing steadily over the years, one-off events such as cost overruns and, more recently, loss compensation to a customer have dampened its earnings growth from time to time. Outstanding is a legal proceeding pertaining to a call on the standby letter of guarantee and payment made by a bank to a customer, which the Company and the Board have deemed as frivolous and without merit. These events look to be driven by independent factors but appear to be systemic when taken together. In particular, the three most recent incidents relate to the US market.</p>	<p>Our businesses encompass projects from inception to commissioning, and occasional cost overruns may occur. However, CSE is committed to minimise the occurrence of such instances.</p> <p>Management has evaluated the incidents in the past year and the root cause of these incidents are either:</p> <ol style="list-style-type: none"> <li>(i) diversification to a new industry such as the chemical or water/wastewater industry which require a different set of process from our traditional industry markets; or</li> </ol>

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	<p>How is the Board looking at these events and whether a review is being done to thoroughly evaluate the approach to management of subsidiaries?</p>	<p>(ii) delays predominantly caused by COVID-19 pandemic supply chain disruptions and the client's instructions to vary the approved design plan.</p> <p>The circumstances leading to these two incidents were different.</p> <p>The Company has sought legal advice for the legal proceedings pertaining to a call on the standby letter of credit, with the legal opinion indicating the call on the standby letter of credit is both frivolous and without merit.</p> <p>Nevertheless, the Board has worked with Management to strengthen the provisions in the drafting of future contracts and has instituted a more rigorous process to review the project progress and status.</p>
4.	<p>Following the sale and leaseback of a property in Texas, has the company purchased a larger property to expand production in the US? If not, does the management plan to proceed as planned or to hold back any purchase due to the uncertain trading environment?</p>	<p>Notwithstanding the current uncertainty in the market environment, Management will continue to proceed with the purchase of a larger property as planned to expand production in the USA to support the demand for data centres from its customers. However, the facilities to be built on the property will be invested based on the data centre demand and orders.</p>