Appendix 2 to the Minutes of Annual General Meeting held on 30 July 2026
- **Summary of Questions & Answers**

1. Why are your current assets lower than your current liabilities?

   Yen Chee Loong, Group CFO

   Our net current liability position is driven by our borrowings, as we currently operate project financing lines with banks. These project financing facilities are short-term in nature and revolving, typically must be paid back within four months. As a result, a significant portion of our borrowings has been classified as short-term borrowings, which increases our current liabilities.

   Having said that, we have sufficient facilities available to support our current and projected turnover. As disclosed in the Company's financial statements for the financial year ended 31 March 2026 ("FY2026"), Management has conducted assessments to ensure that there is no shortfall in our cash flow requirements. The Group are supported by adequate working capital facilities and available banking lines for our operations.

2. Given the high current liabilities, what is the overall gearing level?

   Yen Chee Loong, Group CFO

   Our gearing is around 0.9 times, and it is quite normal in the construction industry. The important thing is that we have sufficient financing facilities in place to make sure that the cash flow requirements of all our projects and operations are adequately covered.

3. Are you able to cover all your interest payments?

   Yen Chee Loong, Group CFO

   Yes, definitely. Our annual interest expense is around $5.5 million, down from approximately $6 million. This reduction is partly due to the decline in global interest rates.

   From a strategic perspective, we are restructuring some of our loans into longer-term facilities to help reduce our current liabilities.

4. Do you forecast that interest rates will increase? If yes, will an increase in interest rates affect the profitability of the Company.

   Yen Chee Loong, Group CFO

   Currently, about 50% of our loans are on floating rates, and 50% are on fixed rates. We are also taking advantage of the still relatively low interest rate environment to lock in some of our borrowings at fixed rates. However, do note that our project financing lines all have floating rates, so they will continue to move in line with the market.

5. Are you able to pay off all your debts, when your borrowings are so high?

   Yen Chee Loong, Group CFO

   Yes, we are able to. As of 31 March 2026, our borrowings are about $109 million. Out of these $109 million, about 50% are revolving project financing facilities. Excluding these revolving project financing lines, our gearing would be around 0.5 times.

   These revolving lines are important for our industry, because payments from customers can take time to come in. Even under normal circumstances, there is often at least a two-month payment gap. These revolving lines help support our ongoing operations.

6. How about the impact of inflation, and what is your plan to mitigate it?

   Ong Tiew Siam, Chairman of the Annual General Meeting

   Every industry is impacted by inflation, not just CSC.

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

   Generally, as foundation piling contractors, our contract periods are not very long. We do not secure jobs that run for three or four years. Our jobs are quite short-term – around six months, and sometimes up to nine months. So, our turnaround is actually very fast. We are thus always very adaptable to changes in market situations, interest rates, inflation, and material prices.

   Rising material costs affect our current short-term jobs; however, once these jobs are completed, all new projects/jobs will be priced according to the new material costs. That is how we manage inflation.

7. In Singapore, the government is encouraging the implementation of AI. What is the Company's plan for AI adoption? Do you intend to use AI?

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

   We are exploring AI and discussing how to formulate our own AI solutions. Confidentiality is a key area of concern. If we use third-party AI systems, there is concern over sensitive information that could potentially be shared with competitors.

   While we could have adopt AI immediately, for the sake of confidentiality, we need to have further internal discussions before deciding on the direction we want to take. Everybody talks about AI, but there are many considerations beyond simply adopting it.

8. My understanding is that your industry is labour-intensive. If you use AI, does it affect your Company and workforce?

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

   As a foundation contractor, we are primarily machinery-based and labour-intensive.

   As of now, AI adoption is more relevant for management and operational support. For example, we are exploring the use of AI to detect and predict machinery breakdowns, identify the source of problems, and reduce equipment downtime.

   The replacement of workers by AI remains a longer-term consideration. We have already introduced RC pile handler equipment to reduce labour needs, but using AI to replace workers performing physical tasks is still quite a distance away.

9. Although the Company achieved a substantial revenue of $400.0 million for FY2026, the net profit after tax is less than 1%? Given this substantial revenue and low margin, how well are we managing our cost structure? Earlier at the meeting, the CFO said during his presentation that the current financial year will see about $200.0 million in revenue– is this going to be sufficient to cover our overheads?

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

   Firstly, we would like to clarify that the $200.0 million referred to earlier in the presentation by the CFO was not a revenue forecast for this current financial year (FY2027).

   The market remains challenging and uncertain amid the ongoing geopolitical conflicts. We face uncertain fuel costs. For example, due to the ongoing US-Iran war, diesel prices rose from approximately $0.90 per litre to as high as $3.00 in April 2026. While diesel prices fell to around $1.40, they are now increasing again.

   As a Group, we consume approximately 1.0 million litres of diesel each month. Diesel is therefore quite a hefty cost component for us. When pricing projects, we need to account for increasing diesel costs. If we price too high, we lose the project; however, if we price too low, margins suffer. Managing this uncertainty requires a judgment call, and we are doing our best to manage these fluctuations.

10. With major projects such as Long Island and other infrastructure developments coming up in Singapore, overseas contractors are expected to enter the market. What impact could this have on margins, how do we manage manpower costs, and how well are we positioned to compete?

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

    While we are trying to manage manpower costs, we must also meet increasing regulatory requirements. For example, the Building and Construction Authority (BCA) is going to introduce accreditation requirements for foundation companies. Larger foundation contractors like us will be required to maintain specific levels of manpower and professional expertise.

To be frank, we do not currently have enough qualified personnel and are actively working to address this. I have to take on the technical manager role at a subsidiary because it does not have the necessary staff. That is the situation we are facing at the moment. It is a level playing field for all the foreign contractors as well. They will eventually have to face the same regulatory and operational requirements once they become established in Singapore.

Dr Leong Horn Kee, Independent Non-Executive Chairman of the Board

As a responsible company with responsible management, we do have to consider and manage costs. If you look at our accounts, we have reduced manpower costs for the last seven years. We also look at improving the efficiency of our machinery. While we are exploring AI, we are essentially a brick-and-mortar company with machinery that cannot run by themselves. The Board has, however, directed Management to explore how AI can improve our efficiency.

11. I have noticed that the Company conducts share buybacks, but not on a constant basis. Relating to dividends, can the Company pay dividends regularly going forward? Do you have guidelines on paying out dividends, for example 50% of profits?

Ong Tiew Siam, Chairman of the Annual General Meeting

Share buybacks are a tool to signal to the market that the Company considers its shares attractive at certain price levels. They are not intended to manipulate market share price.

Regarding dividends, the Company will propose paying dividends when it is profitable and when cash flow allows, amongst other factors deemed relevant to the Board.

Yen Chee Loong, Group CFO

Last year, our dividend payout was close to 65% of our profit. This year, the Board has proposed a final dividend payout that works out to be close to 50% of our annual profit. The Company does not currently have a formal dividend policy, though these two years (FY2025 and FY2026) may be used as reference points. Once the Company's financial results become more stable, we may consider formalising a dividend policy in the future.

12. Can you share with us which projects are making money, and which projects make the most money. Is there any transparency?

Yen Chee Loong, Group CFO

If you refer to the Company's financial statements in the Annual Report for FY2026, on average, our projects are making gross profit margins of around 10%. At any given time, we may be managing 20 to 30 projects. It would be difficult and impractical to discuss the profitability of specific projects individually.

There are also confidentiality considerations. Disclosing project-level margins would effectively reveal commercially sensitive information to competitors. What we can disclose are the Group's overall financial results, which are already reflected in our financial statements.

See Yen Tarn, Executive Director / Group CEO

There is no requirement for listed companies to publish the profitability of individual projects. We provide the disclosures required of a listed company and present the performance of the Group as a whole. Overall, the majority of our projects are profitable.

Dr Leong Horn Kee, Independent Non-Executive Chairman of the Board

The details and profitability of each project are confidential in nature. Overall, our projects are profitable. Generally speaking, more complex projects tend to command better margins, although they also involve higher risks and more work. Simpler projects, such as HDB projects, tend to offer lower margins but are more straightforward to execute.

13. How many years has KPMG been appointed as auditor?

Ong Tiew Siam, Chairman of the Annual General Meeting

KPMG has been our auditor since the Company was listed in 1998, which is 28 years. However, the audit partner-in-charge of our financial audit must rotate every five years in accordance with risk management and compliance requirements.

14. When are you going to issue shares?

Ong Tiew Siam, Chairman of the Annual General Meeting

There is no immediate plan to issue new shares. The share issue resolution being proposed is a standard mandate commonly sought by listed companies at annual general meetings in advance to provide flexibility should the need to issue new shares arise.