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

ANNUAL GENERAL MEETING TO BE HELD ON 29 APRIL 2024
RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

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, 29 April 2024 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/agm_egm.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	CSE's Response
1.	How would the company describe the competitive landscape for its respective business segments in Electrification, Communications and Automation? Was the company then able to build in higher margin or add terms to protect margins in the face of potential spike in inflation?	Electrification, Communications and Automation businesses all operate under a competitive landscape with more than one competitor or supplier. Depending on customers, CSE has customers that allow price adjustments for inflation, while others are either on fixed margins (cost plus) or fixed price contracts. As demonstrated in the past, CSE will continue to work closely with its customers to ensure its margins are protected to address any inflationary pressures.
2.	What is the working assumption of the Board for the interest rate path in the next 1-2 years, e.g. assume lower interest rate in line with market or assume high uncertainty in interest rate path, when deciding on the optimal capital structure and the appropriate mix of fixed/hedged and floating rate loans?	Based on forecasts from the banks, interest rates will remain elevated in the next 12 to 24 months. For long-term capital requirements such as acquisitions, they will be funded by equity or other long term funding sources such as bonds or perpetual securities. For working capital requirements, it will be mainly funded by short-term loans. We do not hold a view on the appropriate mix of fixed and floating rate loans, as it depends on the requirements of the business and the associated cashflows. The mixture of equity and debt funding has allowed the Group to manage its capital structure, strengthen its financial position, and access a range of funding options to meet its evolving needs. The Board of Directors will continue to review and monitor the Group's capital structure in order to determine the best mix of debt and equity financing that will minimize the Group's cost of capital. At present, the Group continues to maintain a strong financial position as its net gearing ratio remains steady at 0.35x as at 31 December 2023 as compared to 0.34x as at 31 December 2022.

3.	In March this year, the company announced a placement of 60 million shares at 40 cents each. The issuance of these 60 million shares would dilute the interest of existing shareholders. Why did the company choose to conduct a "placement exercise" instead of conducting a "rights issue"? Has the company considered the dilutive impact of a placement exercise? A "rights issue" would allow existing shareholders to participate and maintain their percentage of shareholding in the company - why was this option not considered? Or if it was considered, why was it not chosen?	As a listed company, the Board has to consider all funding options available and decide the most appropriate funding option for the Company, taking into account factors such as macroeconomic and market conditions, liquidity, investor base strategy, cost effectiveness, and the certainty of the success of the fund raising. As the Group continues to grow, it is important for CSE to diversify and broaden its institutional shareholder base to attract new investors and capital to support future growth. Therefore, a private placement exercise will help to diversify the shareholder base, and hence strengthen the position of the group in future fund raising through rights issues. Furthermore, a private placement requires shorter turnaround time and less documentation, hence more cost-effective. A private placement also provides more certainty towards a successful fund raising and the ability to secure new capital more quickly. While the dilutive effect of the share placement was considered, based on the foregoing, the Board decided the route of private placement is the most ideal funding option to better maximise shareholder value and achieve its goal of diversifying its shareholder base. Balancing the needs of the Company, risks and opportunities, while maintaining sensitivity to dilution, is a critical task for the Board and management. We thank our shareholders for the understanding and support to the Board and management to act in the best interests for the Company.