CSE GLOBAL LIMITED

(Company Registration No. 198703851D)
(Incorporated in Singapore)

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Raffles City Convention Centre, Level 4, Atrium Ballroom, 80 Bras Basah Rd, Singapore 189560	
DATE	:	Thursday, 20 April 2023	
TIME	:	2.30 p.m.	
DIRECTORS PRESENT	:	Mr Lim Ming Seong	Chairman, Independent Director and Chairman of Compensation, Nominating and Investment Committees
		Mr Lim Boon Kheng	Group Managing Director, Chief Executive Officer and Member of Investment Committee
	:	Mr Tan Chian Khong	Independent Director, Chairman of Audit and Risk Committee, Member of Nominating Committee
		Mr Sin Boon Ann	Independent Director, Member of Nominating and Compensation Committees
		Dr Lee Kong Ting	Independent Director, Member of Audit and Risk, and Compensation Committees
		Ms Ng Shin Ein	Independent Director, Member of Audit and Risk Committee
		Ms Wong Su Yen	Independent Director, Member of Compensation Committee
		Mr Derek Lau Tiong Seng	Non-Executive Non-Independent Director, Member of Nominating and Investment Committee
IN ATTENDANCE	:	Mr Eddie Foo Toon Ee	Group Chief Financial Officer
		Mr Andrew Tan Chwee Peng	Partner, Ernst & Young LLP
SHAREHOLDERS AND PROXY HOLDERS	:	As set out in the attendance records maintained by the Company.	
CHAIRMAN OF THE MEETING	:	Mr Lim Ming Seong	

QUORUM

As a quorum was present, the Chairman declared the meeting open at 2.30 p.m.

1. INTRODUCTION

1.1 The Chairman welcomed all shareholders who were attending the Annual General Meeting ("**AGM**" or the "**Meeting**") and he introduced the Board of Directors present at the AGM.

1.2 The Notice of AGM was taken as read.

1.3 The Chairman informed the Meeting that he had, in his capacity as Chairman of the Meeting, been appointed as a proxy by a number of shareholders and would be voting in accordance with the specific instructions of these shareholders. Voting at this AGM would be conducted by electronic polling. DrewCorp Services and Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as scrutineers and polling agent for the AGM respectively.

1.4 A video presentation introducing the steps to the casting of votes at the AGM was played.

1.5 The Chairman then informed that the CEO would deliver his presentation on the Company's performance for FY2022 followed by the "live" question and answer session. After the "live" question and answer, the AGM would proceed with the tabling of the resolutions and the results of the voting would be announced at the end of each resolution.

2. PRESENTATION BY CEO

2.1 The Chairman then invited the CEO to present the Company's performance for FY2022. After the presentation, the proceeding was handed back to the Chairman.

2.2 A copy of the AGM presentation which is attached as **Appendix 1**, had also been made available on the Company's website and SGXNet after the AGM.

3. QUESTIONS AND ANSWERS

3.1 Shareholders were informed that the responses to the questions received in advance of the AGM from Securities Investors Association (Singapore) and a shareholder had been published on SGXNet and the Company's corporate website on 14 April 2023.

3.2 The questions relating to the resolutions raised by Shareholders at the AGM and the responses are summarised and attached as **Appendix 2**.

4. AGENDA ITEMS

4.1 There being no further questions from Shareholders, the Chairman then proceeded by proposing all the motions which had been tabled for approval at this AGM and put these to the vote by poll.

ORDINARY BUSINESS:

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS – RESOLUTION 1

The meeting proceeded to receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2022 and the Auditors' Report.

The Chairman proposed the following motion and was seconded by a shareholder:-

"That the Directors' Statement and Audited Financial Statements of the Company for the year ended 31 December 2022 together with the Auditors' Report be received and adopted."

As there was no question or comment raised, the motion was put to vote.

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	271,258,808 (99.95%)
Number of valid votes "Against"	:	136,600 (0.05%)
Total number of valid votes received	:	271,395,408 (100%)

Based on the results, the Chairman declared the ordinary resolution carried.

2. FINAL DIVIDEND – RESOLUTION 2

The Directors had recommended the payment of a final (one-tier tax exempt) dividend of 1.5 Singapore cents per ordinary shares for the year ended 31 December 2022.

The dividend, if approved, would be paid on 18 May 2022.

The Chairman proposed the following motion and was seconded by a shareholder. The motion was put to vote:-

"That the payment of a final (one-tier tax exempt) dividend of 1.5 Singapore cents per ordinary share for the year ended 31 December 2022 be approved."

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	275,282,788 (99.95%)
Number of valid votes "Against"	:	142,000 (0.05%)
Total number of valid votes received	:	275,424,788 (100%)

Based on the results, the Chairman declared the ordinary resolution carried.

3. RE-ELECTION OF DIRECTOR – RESOLUTION 3

The next item on the Agenda dealt with the re-election of Mr Derek Lau Tiong Seng. Mr Derek Lau had signified his consent to continue in office and would remain as member of the Nominating and Investment Committee and be considered non-independent.

The Chairman proposed the following motion and a shareholder seconded the motion. The motion was then put to vote:-

"That Mr Derek Lau Tiong Seng re-elected as a Director of the Company."

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	259,017,927 (95.35%)
Number of valid votes "Against"	:	12,637,981 (4.65%)
Total number of valid votes received	:	271,655,908 (100.00%)

Based on the results, the Chairman declared the ordinary resolution carried.

4. RE-ELECTION OF DIRECTOR – RESOLUTION 4

Resolution 4 dealt with the re-election of Ms Ng Shin Ein. Ms Ng Shin Ein had signified her consent to continue in office and would, upon the re-lection as a Director of the Company, remain as a member of the Audit and Risk Committee and would be considered independent.

The Chairman proposed the following motion and a shareholder seconded the motion. The motion was put to a vote:-

"That Ms Ng Shin Ein be re-elected as a Director of the Company."

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	270,788,507 (99.72%)
Number of valid votes "Against"	:	751,400 (0.28%)
Total number of valid votes received	:	271,539,907 (100.00%)

Based on the results, the Chairman declared the ordinary resolution carried.

5. RE-ELECTION OF DIRECTOR – RESOLUTION 5

Resolution 5 dealt with the re-election of Ms Wong Su Yen. Ms Wong Su Yen had signified her consent to continue in office and would, upon re-election as a Director of the Company, remain as a member of the Compensation Committee, and would be considered independent.

The Chairman proposed the following motion and a shareholder seconded the motion. The motion was put to a vote:-

"That Ms Wong Su Yen be re-elected as a Director of the Company."

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	268,428,478 (99.76%)
Number of valid votes “Against”	:	643,600 (0.24%)
Total number of valid votes received	:	269,072,078 (100.00%)

Based on the results, the Chairman declared the ordinary resolution carried.

6. DIRECTORS’ FEES – RESOLUTION 6

The Board had recommended the payment of a sum of S$490,900 as Directors’ fees for the year ended 31 December 2022.

The Chairman proposed the following motion and a shareholder seconded the motion. The motion was put to a vote:-

“That the Directors’ fees of S$490,900 for the year ended 31 December 2022 be approved for payment.”

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	270,077,908 (98.27%)
Number of valid votes “Against”	:	4,758,380 (1.73%)
Total number of valid votes received	:	274,836,288 (100%)

Based on the results, the Chairman declared the ordinary resolution carried.

7. RE-APPOINTMENT OF AUDITORS – RESOLUTION 7

Resolution 7 was to reappoint the retiring auditors, Ernst & Young LLP and to authorise the Directors to fix their remuneration. Ernst & Young LLP had expressed their willingness to continue in office.

The Chairman proposed the following motion and a shareholder seconded the motion. The motion was put to a vote:-

“That Ernst & Young LLP be re-appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration.”

Valid votes received, were displayed on the screen, as follows:

Number of valid votes “For”	:	270,445,508 (98.05%)
Number of valid votes “Against”	:	5,372,900 (1.95%)
Total number of valid votes received	:	275,818,408 (100%)

Based on the results, the Chairman declared the ordinary resolution carried.

8. ANY OTHER BUSINESS

As no notice of any other business has been received by the Secretary, the Meeting proceeded to deal with the special business of the meeting.

SPECIAL BUSINESS:

9. AUTHORITY TO ISSUE SHARES – RESOLUTION 8

Resolution 8 was to authorise the Directors to issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Chairman proposed the following motion and a shareholder seconded the motion. The motion was put to a vote:-

"That pursuant to Section 161 of the Companies Act 1967 ("**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from the exercise of share options or vesting of share awards, provided the options and awards were granted in compliance with the Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

provided such adjustments in sub-paragraphs (2)(a) and (b) above are made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	231,150,958 (85.13%)
Number of valid votes "Against"	:	40,374,829 (14.87%)
Total number of valid votes received	:	271,525,787 (100%)

Based on the results, the Chairman declared the ordinary resolution carried.

10. RENEWAL OF THE SHARE PURCHASE MANDATE – RESOLUTION 9

Resolution 9 is to seek shareholders' approval to renew the Share Purchase Mandate and to authorise the Directors of the Company to purchase shares up to five percent (5%) of the total number of issued ordinary shares of the Company (excluding treasury shares) as at the date of the passing of this Ordinary Resolution.

The Chairman proposed the following motion and a shareholder seconded the motion. The motion was put to a vote:-

"That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (defined below), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (defined below), whether by way of:

(i) on-market purchases transacted on the SGX-ST through the SGX-ST trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed and quoted ("**On-Market Share Purchase**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all conditions prescribed by the Companies Act and the Listing Manual ("**Off-Market Share Purchases**");

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution relating to the Share Purchase Mandate and expiring on:

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held, whichever is earlier;

(ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting; or

(iii) the date on which the Share Purchase is carried out to the full extent mandated, whichever is the earliest;

(c) in this resolution relating to the Share Purchase Mandate:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the day on which the purchase or acquisition of Shares was made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchases are made;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Maximum Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Share Purchase pursuant to an equal access scheme, 120% of the Average Closing Price;

"**Prescribed Limit**" means that number of Shares representing not more than five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed in relation to the Share Purchase Mandate, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered after such capital reduction (excluding any treasury shares and subsidiary holdings as may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of the resolution passed in relation to the Share Purchase Mandate and expiring on the date on which the next Annual General Meeting of the Company is or is required by law to be held, whichever is earlier;

(d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and

(e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they may consider desirable, expedient or necessary to give effect to the transactions contemplated authorised by this resolution relating to the Share Purchase Mandate."

Valid votes received, were displayed on the screen, as follows:

Number of valid votes "For"	:	271,070,708 (99.87%)
Number of valid votes "Against"	:	361,200 (0.13%)
Total number of valid votes received	:	271,431,908 (100%)

Based on the results, the Chairman declared the ordinary resolution carried.

There being no other business to transact, the Chairman declared the AGM of the Company closed at 4.25 p.m.

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

LIM MING SEONG
CHAIRMAN

Appendix 1

Annual General Meeting Group CEO Presentation

20 April 2023

Disclaimer

The information contained in this presentation has not been independently verified. The Company assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information or opinions contained herein nor for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. It is not the intention to provide, and you may not rely on this presentation as providing a fair, accurate, complete or comprehensive analysis of all material information concerning the Company, or the Company's financial or trading position or prospects. The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice.

This presentation contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the Company and its directors. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of the management of the Company on future events. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct.

About CSE Global

We are a solutions provider that serves customers across a global network.

We use our engineering experience and diverse skill sets to design and build customized, integrated systems for our customers that solve their problems.

You can count on us
We are a trusted industry partner to governments and renowned brands, globally.

Listed on the Singapore Exchange since 1999

No problem is too big (or too small) for us
With our team being highly-skilled engineers with deep technical capabilities at our core, we thrive on delivering complex projects across industries.

80% highly-skilled engineers & technicians

We deliver what you need in a socially responsible way
Our smart systems are built-to-needs and highly customized to meet customers' needs.

Greener & smarter solutions

We deliver consistent profitability and returns to shareholders, and chart a clear growth path
We have generated steady, reasonable returns and always seek ways to enhance shareholder value.

34 years of profitable growth

We invest in our people
We believe in being collaborative, and people-centric, with our team culture and employee well-being as important areas of focus.

Supportive & open culture

OUR GLOBAL FOOTPRINT

Americas | Asia Pacific | Europe | Middle East | Africa

16 countries

57 offices

>1,800 employees

OUR SOLUTIONS ACROSS KEY SECTORS

Our systems sit at the heart of every infrastructure and are critical

- CCTV / Security Systems
- Emergency Safety Systems
- Facility / Integrated Control and Safety Systems
- Fire & Gas Systems
- IT/OT and Networking Services
- Industrial Cybersecurity and Hardening Service
- Operator Training Systems
- Process Control Systems
- Subsea Master Control Station (MCS)
- SCADA and Data Management Systems
- Subsea Electrical Power Units (EPU)
- Simulation, Testing & Support

1. Energy
- Offshore: shallow sea, continental shelf & deep sea
- Onshore: shale, pipeline & chemical/petrol-chemical

2. Infrastructure
- Transportation (road, rail, air)
- Power utilities (generation, distribution & storage)
- Water / wastewater utilities

3. Mining & Minerals
- Commodities & minerals: coal, gold, iron, copper, nickel & molybdenum

OTHER SECTORS
- Data Center
- Retail
- Hospitality
- Pharmaceutical
- Government

Business Updates

1 FY2022 Highlights

- FY2022 – a challenging year

- One of our US division had made execution mistakes
- Project cost overruns – S$5.9m
- Made changes in organisation, retrenchment cost – S$1.3m

- Supply chain disruptions continue to affect our operations resulting in longer lead time to convert an order into revenue
- Increased costs
- Gross margins impacted, lower at 26.2%

- Continued to build our infrastructure business via acquisitions and organically through sales, marketing, engineering support and capacity enhancement, resulting in increase in overheads by >S$10m
- Diversification on track, non-oil & gas orders > 50%, orders for infrastructure sector grew 131.2% year-on-year to S$341.6m
- Overall, group had a strong order intake of S$808.4m, closed the year with a robust order book of S$480.1m

2 Segmental Performance

Building on our diversification strategy - focus on US Energy and ANZ/SG/UK/US Infra

1. Energy

- Few large opportunities as oil companies remain cautious in approving new larger greenfield projects
- Higher orders from flow business
- Actively pursuing opportunities and acquisitions in renewables and related infrastructure

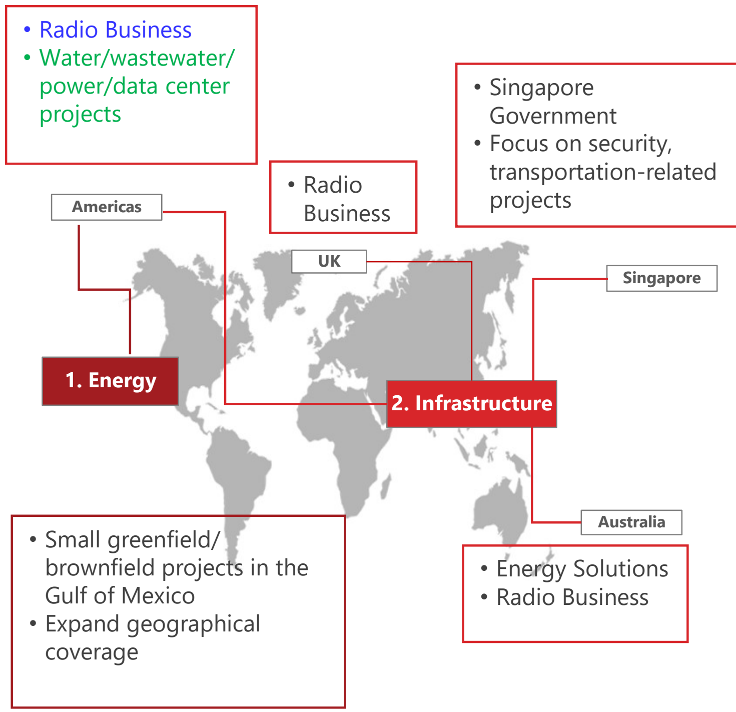
2. Infrastructure

- Completed the acquisition of DTS, Gencom, Logic Wireless and Radio One Group
- Strengthening communications business in ANZ/UK and new region (USA) through acquisitions
- Secured more water/wastewater and data centre projects
- Flow business stable
- Engaging more with the Singapore Government

3. Mining & Minerals

- Stable stream of flow projects

3 Key Strategies



Business Updates (cont'd)

4

Cost Management

- Higher interest costs from inflationary pressures
- Cost overruns for project in Americas region
  - Closely monitoring costs
- Capital discipline alongside cash flow management

5

Acquisition Strategy

- Acquisition remains a key growth strategy
- Focus areas will be in complementary and adjacent capabilities:
  - Energy and Infrastructure segments
  - USA, Europe and Australia/New Zealand
- Will acquire within means, whenever suitable opportunities arise
  - No high gearing
- Will be focused on integrating Logic Wireless and Radio One Group in 2023

Group Performance in FY2022

Revenue

S$557.7m ▲ 19.0%

Order Intake

S$808.4m ▲ 74.9%

EBITDA

S$33.4m ▼ 21.9%

Cashflow from Operations

S$9.1m ▼ 75.0%

Net profit

S$4.8m ▼ 68.2%

Return on equity

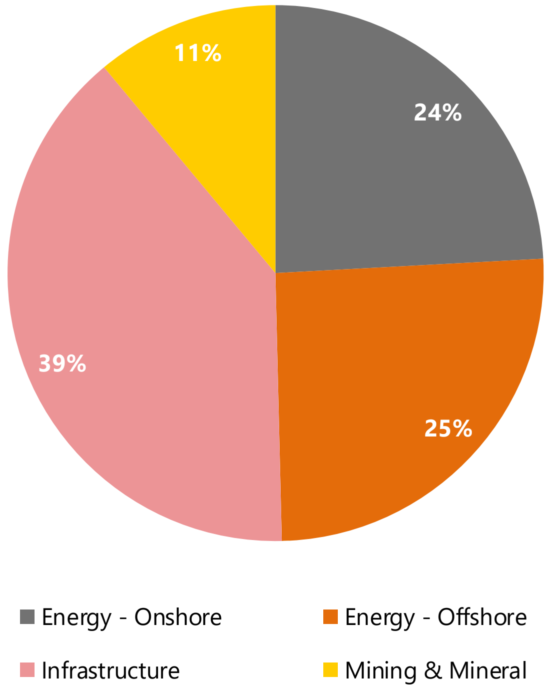
2.2% ▼ 5.6pp

Summary of Financials

S$ million	FY2022	FY2021	Change
Revenue	557.7	468.7	19.0%
Gross Profit	146.2	135.9	7.6%
EBITDA	33.4	42.8	-21.9%
Net profit attributable to equity owners of the Company	4.8	15.0	-68.2%
Gross profit margin (%)	26.2%	29.0%	-2.8p.p
EBITDA margin (%)	6.0%	9.1%	-3.1p.p
Net margin (%)	0.9%	3.2%	-2.3p.p
Operating cash flow from operations	9.1	36.3	-75.0%
Net Cash/(debt)	(72.2)	(48.9)	47.7%
Order intake	808.4	462.1	74.9%
Order book	480.1	229.4	109.3%
ROE (annualised)	2.2%	7.8%	-5.6p.p

FY2022 Revenue Breakdown By Industry Segments

We have a sizeable base of loyal customers. Some of our customers have been with us for over 30 years, and 90% are repeat customers.



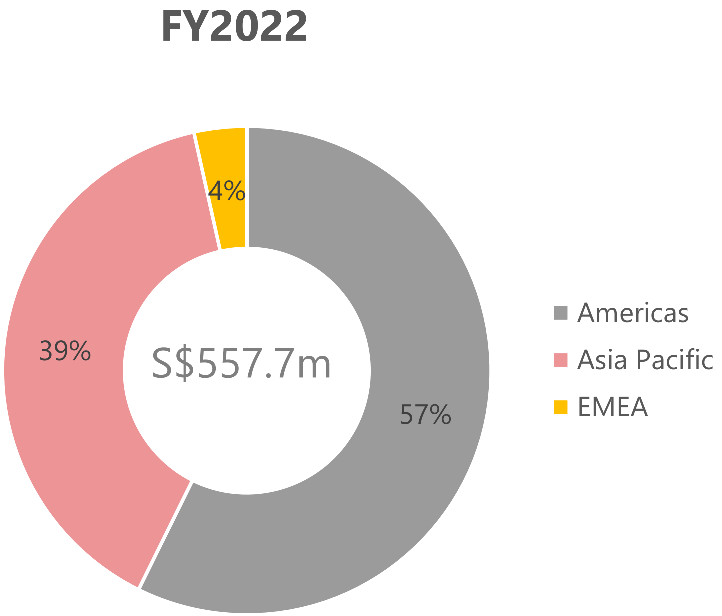
S$ million	FY2022	FY2021	YoY %
Energy - Onshore	134.6	143.0	-5.9%
Energy - Offshore	142.1	134.3	5.8%
Infrastructure	219.4	143.6	52.8%
Mining & Mineral	61.6	47.8	28.8%
Total	**557.7**	**468.7**	**19.0%**

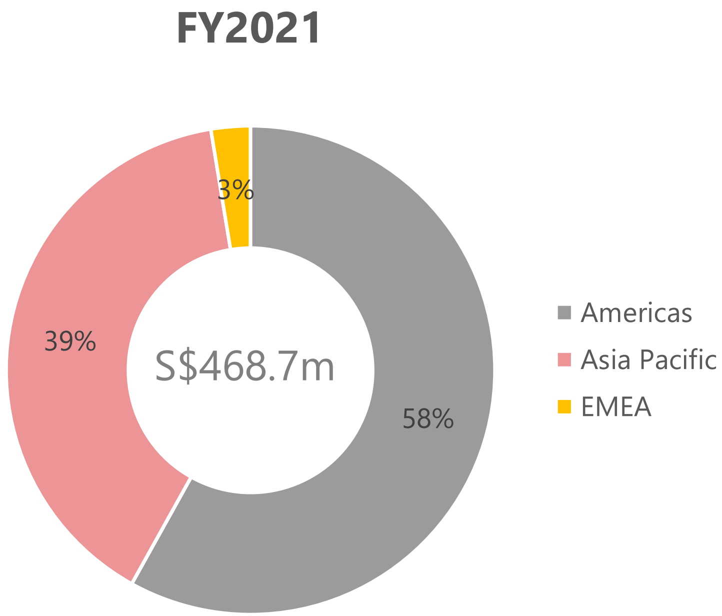
Australia and UK communications revenue:
- FY2022 S$132.3 million
- FY2021 S$99.3 million

Infrastructure: Power, Water, Waste Treatment & Transportation

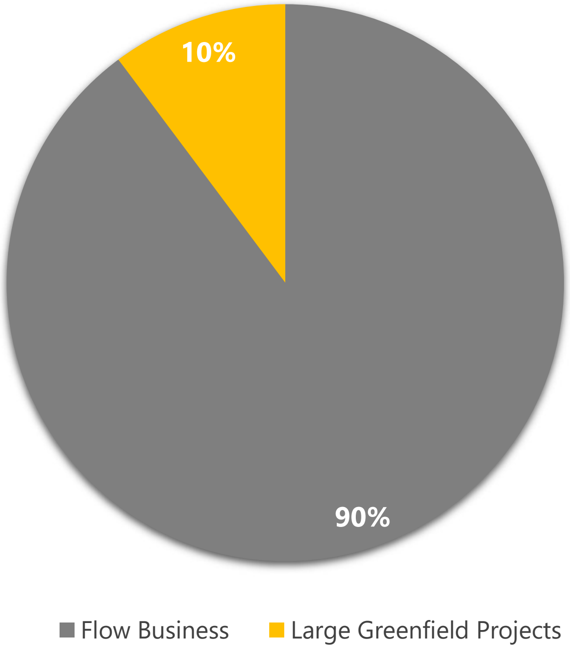
FY2022: Revenue Breakdown By Geographical Segments

S$ million	FY2022	FY2021	YoY %
Americas	319.7	272.2	17.4%
Asia Pacific	218.6	184.3	18.6%
EMEA	19.4	12.2	59.9%
Total	**557.7**	**468.7**	**19.0%**





FY2022 Revenue Breakdown By Projects

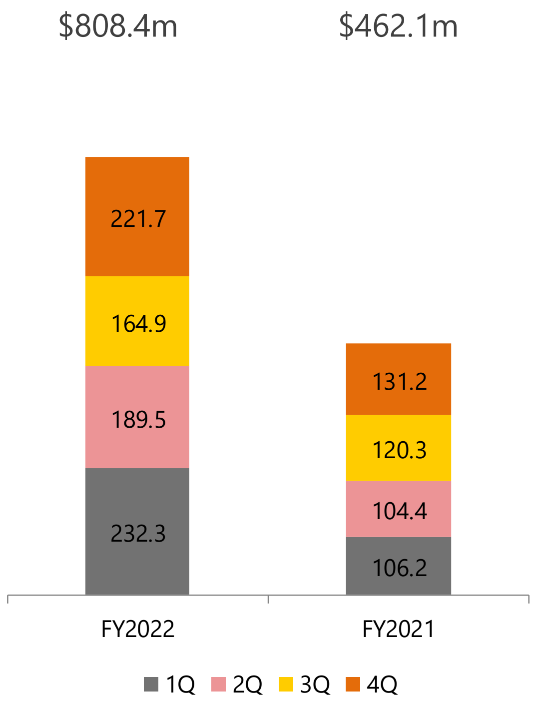


S$ million	FY2022	FY2021	YoY%
Flow Business*	502.5	420.9	19.4%
Large Greenfield Projects	55.2	47.8	15.5%
Total	**557.7**	**468.7**	**19.0%**
Flow Business %	**90%**	**90%**	

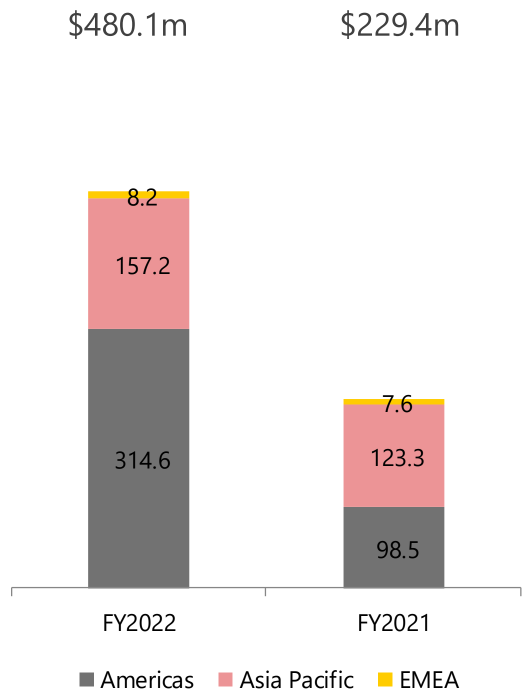
**Includes Brownfield and Small Greenfield Projects which tend to be recurring in nature*

FY2022 Order Intake/Book By Geographical Segments

Order Intake from Continuing Operations



Order Book from Continuing Operations



FY2023 Outlook

- The current global economic outlook and inflationary pressures continue to present uncertainties in the markets we operate. Our customers in the Energy sector remain focused on their capital spending discipline that led to fewer large greenfield projects in 2022 and foreseeably in the coming months, which together with the higher operating costs and cost overruns, has negatively impacted our financial performance in the Americas region in FY2022.

- We continue to see a stable financial performance in the Infrastructure and Mining & Minerals sectors, supported by a steady stream of projects arising from requirements in digitalization, communications and enhancements in physical and cyber security globally, and from data centres and water utilities in the Americas & Asia Pacific region.

- CSE has secured S$808.4m of new orders in FY2022. With an order book of S$480.1 million as at 31 December 2022 compared with S$229.4 million as at 31 December 2021, CSE is well positioned to achieve a better performance in 2023.

- Going forward, we will expand our engineering capabilities and technology solutions to pursue new market opportunities and diversify into new markets brought about by the emerging trends towards urbanization, electrification and decarbonisation.

Dividend

S$ million	FY2022	FY2021	FY2020
Dividend (cents):			
- Interim	1.25	1.25	1.25
- Final	1.50*	1.50	1.50
Payment date	18 May 2023		
Book closure	5 May 2023		
AGM	20 April 2023		

*** Proposes final dividend of 1.5 cents per share to be approved by shareholders at AGM on 20 April 2023.**

Q&A

Appendix 2

CSE GLOBAL LTD
(Incorporated in Singapore)

QUESTIONS AND ANSWERS AT THE ANNUAL GENERAL MEETING HELD ON 20 APRIL 2023

Question: **There were a few acquisitions by the US division in the recent years, however, the profit from the US has been on a declining trend. EBIT from the US division was $16 million in FY2020, and it went down to $1million in FY2021 and a loss of $10.7 million in FY2022.** **Are the losses coming from the organic businesses in the US or from the new business that CSE acquired.**
Answer: CEO – CSE only acquired one business in the US for the last 5 years and that was Volta which was acquired in 2019. On the project overrun, the team that executed the project are not new employees and had been with CSE for the past 10 to 15 years. The project is in the oil and gas segment. The Senior Management was equally disappointed with the outcome of this particular project. Although the oil prices have increased, there are still a lot of challenges in the oil and gas business. Hence, that is why CSE still believes in diversification by expanding into alternative markets which explains why Management had put in a lot of efforts to diversify into non-oil and gas businesses.
Question: **If the US operation was already showing some weakness, how did CSE allow such huge project overrun of $5.9 million. CSE is a project-based company, there should be project costing and Management conducting regular review of these project costings. How did we allow project overrun to go to $5.9 million?**
Answer: CEO – The main contributor to $5.9 million overrun came from one single project which was won in March 2022. The project was in the design phase until the last quarter in FY2022. After the finalization of the design, we started integration work in 4Q2022, We had substantially integrate two units (the order is for 6 units) in January 2023 and after cost review in early February, we then came to realize that cost to complete the project is more than our selling price. This then prompted us to investigate into the cost overrun in early February and made the relevant SGX announcement. The project manager and engineers who were on this project had been working with us for some time and they had successfully executed other projects in the past. But in this case, they had failed to recognize that the cost to complete this whole project was more than the selling price and they did not notify the management.

Question: **One project that had gone wrong and our profitability was hit immediately. Do we have the command and control especially in the US to monitor and be alerted to problems from the onset very quickly. In the rights issue briefing last year, we were told everything was business as usual and in February 2023, the Company issued a profit warning. The project overrun is shocking and too soon. Although you have committed to paying your dividends, but the earnings are not covering the dividend. Is there a CEO in the US and has he taken on the responsibility for this overrun so that such problem does not happen again. And also, who in the Group management was accountable for this project overrun.**
Answer: CEO – I take responsibility and apologize to shareholders. With regard to the team in the US, we had restructured the team in 4Q2022 and 1Q2023. When we restructured the team in 4Q2022, we were looking at the division performance and not the cost overrun issue. The division was already losing money as a division even before this project overrun. Therefore, we took steps to reduce and reorganize the team in 4Q2022. In the US, we need to pay retrenchment cost to the employees in accordance to USA rules and practices. We reduced approximately 30% of the headcount in this division in 4Q2022 and a further 10% in 1Q2023. The reduction in personnel is for both administration and technical positions. We also had change the role and responsibilities of some of the personnel that we had retained. We have accepted that mistakes have been made and through the combination of corrective actions in personnel adjustment and a strengthening of process, this does not repeat again moving forward.
Question: **There was also a restructuring cost of $1.3 million. Was this the retrenchment cost? What attributed to the higher operational cost of $10 million?** **We have a net profit of $4.8 million in FY2022 and we are paying an aggregate dividend of 2.75 Singapore cents. We are tapping into reserve to pay the dividend. Is such dividend sustainable moving forward?**
Answer: CEO – The $1.3 million is the retrenchment cost. The increase of $10 million operational cost came from two areas: (1) CSE had acquired companies and hence higher overheads as we now consolidate these overheads and (2) we also set up teams to support (sales, design and execute) new business for the data center and water/wastewater market. Chairman – On the dividend and why we decide on a final dividend of 1.5 Singapore cents, the Board discussed and agreed to continue with the payment of the 1.5 Singapore cents as final dividend. We do not have a situation whereby the Company is doing badly. This is one particular division with one particular project that had the cost overrun. Secondly, we have invested a fair bit in the US to grow other businesses such as the data centers and hence explaining the investment cost that is coming out of US. As far as we are concerned, the other segments within the Group are doing fine. The Australia business is running well and the other businesses in the US are also growing, and we will continue to see contribution from those companies that we acquired. Overall,

the Directors are confident going forward into 2023 and it will be better than 2022. We acknowledged that there is a deficit for the revenue reserve in relation to the dividend for FY2022.
Question: **Your top five key personnel were paid $3.8 million in FY2022 on a no-named basis, but our earnings dipped from $15 million to $4.8 million in FY2022. There was no comparison given for FY2021. Was there any reduction in the remuneration of these key personnel?**
Answer: Chairman – Yes there was a reduction. There was a cut in the bonuses payment for FY2022 performance.
Question: **The CEO's presentation indicated that there were six units to be delivered of which two units had been completed. Can the cost overrun for the remaining four units be charged back to the customer.**
Answer: Chairman – We had worked out the actual costs for the four remaining units and it came up to be $5.9 million which we had provided.
Question: **During the last dialogue session with shareholders, Management had shared good prospect with regard to the wastewater management. Can the Board share more on this and whether we can recognize some of these profit in 2023.**
Answer: CEO – In 2022, CSE won close to $100 million of wastewater projects in the US of which $20 million had been recognized in FY2022. The remaining would be recognized in FY2023 and beyond. We have kept the sales and marketing team in order to bring in more business from this segment and will be booking in more expenses and orders in the coming quarters. There is an expanding population in the state of Texas and hence water/wastewater management demand increases. The US government is also doing more in terms of upgrading the infrastructure and CSE is also seizing the opportunity to get ourselves into this market now. Hence, there is a mismatch in the overheads and revenue at this juncture as we need to keep the team intact to continue the sales and marketing efforts for these businesses.

Question: **In relation to the project overrun of $5.8 million, what is the project contract value?** **Arising from this lesson, what are the changes in the oversight in the US to prevent the same from happening again.**
Answer: CEO – The project contract value is approximately $14 million. The total project cost is approximately $20 million. Management had observed that this division had accepted orders over the last few years without customers confirming the designs. They worked on a lot of assumptions with customers. We then decided that moving forward, we would not submit bid for such projects unless the project specifications is substantially defined, or the customer is willing to give us an undertaking that we can bill extra for variations. Hence, going forward, CSE's interest must be properly safeguard in the project contract in terms of project variations. We have made several personnel changes in the division as well as change the duties and responsibilities of some personnel that remained in our service. We have also strengthening our work process especially the peer review process during the design stage.
Question: **Is the Board satisfied that the learning points from this mistake had been shared with other business units so that such mistake does not happen again. I understand previously that there are fairly loose controls instilled in the business units in order to keep talents within the organization. My comment is to review projects on a monthly basis and report on exceptional basis so that we can nit any issue in its bud.**
Answer: CEO – We have put in more processes and peer review has to be physical instead of virtual meetings. In terms of dissemination of the learning points, we had done that across all the business units. The leadership across all countries and business units are aware of this learning point and we will continue to share this information with the new people that we bring into the Group.
Question: **VSAT satellite communication system was listed as one of the solutions under the communications and security business. There is a newer technology such as low earth orbit satellite and do we foresee our VSAT business would be replaced by this low earth orbit satellite. How big is our VSAT satellite communication business.**
Answer: CEO – VSAT satellite communication is still being used in certain countries. We are aware of the new technology. As and when the scope requests, we will pick up and move on to the new area.

Question: **I am a long-time shareholder and every few years, we will get a sudden surprise. The last I remembered was the Middle East issue and we exited from the market. This time round is US project overrun. Hearing the CEO's earlier explanation that we bided for projects without having full confirmation on the design, what are the risk assessments in terms of project bidding.** **USA is so far away. We do not want to micro-manage but at the same time how do we keep an eagle eye on the ground to ensure such mistake does not happen again.**
Answer: Chairman – The Middle East issue was 10 years back. CSE is a project-based company, and we do a lot of projects across all divisions. Cost overrun is hence imminent but, in this case, this is a huge one. There are a few phases in a project, first being the quotation stage and whether the quotation is accurate. Secondly, there is a design phase and whether the design meets the customer's requirement and sometimes during the design phase, there is variation. In this particular project, we made certain assumption, but the assumption did not consider the additional cost when the project is executed. As mentioned, this case relates to one division and one particular project. We recognized the mistake that we made, and we apologise for the mistake. We have taken the necessary corrective measures to ensure such mistake do not occur again. We have learned bitterly from this mistake and the Board is equally unhappy with what had happened. We can assure you that such mistake would not happen again as we put in processes to manage our contracts and people.
Question: **Acquisition of Logic Wireless – There is software and system invented by Logic Wireless. Before this acquisition, does CSE have such similar software and system within the critical communication business. Do you intend to roll out this software to your other critical communication business units?**
Answer: CEO – We do have a couple of apps that CSE has developed over the years within the critical communication business and customers are using it. We will roll out in Australia and New Zealand. For the system developed by Logic Wireless, we will pass it through as our total offerings to our customers.
Question: **There are a lot of subsidies in the US through the US inflationary measures. Which are the sectors within CSE that will benefit from these subsidies?**
Answer: CEO – At this juncture, we are still studying who are the end customers of these subsidies. If it is within the industries or sectors that CSE operates in, then we will be there to reap the benefits.

Question: **Will CSE benefit from the boom in the AI sector in the US such as your data center customers. Will there be more data center contracts for CSE to bid?**
Answer: CEO – Due to confidentiality, we only have one data center customer, but we cannot disclose the name. We are actively pursuing another data-center customer and we do know their short to mid-term plans.
Question: **Referring to the balance sheet, trade receivables increased from $96.6 million to $138.1 million; cash and bank balances decreased from $46.5 million to $34.2 million; loans and borrowings increased from $47.9 million to $68.7 million; intangibles assets increased from $58.5 million to $80.8 million. Total equity only increased by approximately $20 million even though we raise a RI proceeds of $33 million. In particular, I would like to focus on the intangibles assets. The concern is that will CSE have big impairment write down moving forward which will affect our results again.** **On note 7 to the financial statement on Page 151 of the Annual Report, I noted that increases in intangible asset came mainly from customer relationships, goodwill and technical know-how. The concern is whether there will be write-down of these in the future. Please also elaborate what is customer relationship goodwill.**
Answer: CFO – In every acquisition, there is a difference between the acquisition price and net asset which is goodwill that is reported under intangible assets. The reason for the increase in intangibles assets in FY2022 is mainly attributed to the goodwill with respect to the acquisition of Logic Wireless. Every year, the Management will have to perform an annual goodwill impairment assessment basing on discounted cashflow model taking into consideration the business outlook and the financial projections of its individual business units. At this current juncture, we do not foresee any material impairment in intangible assets.