CSE Global

DRIVING SUSTAINABLE GROWTH

ANNUAL REPORT 2024

CONTENTS

CORPORATE PROFILE

CSE Global Limited (CSE) is a global technologies company listed on the Singapore Stock Exchange, with an international presence spanning the Americas, Asia Pacific, Europe, Middle East and Africa regions.

CSE Global is a leading systems integrator providing electrification, communications and automation solutions across various industries globally.

At CSE Global, we pride ourselves as a trusted, lifelong partner to our customers who always has their interests at heart. Leveraging our engineering experience, technology and diverse skill sets across our global network, we design and build customised, integrated systems for our clients that solve their problems.

Our integrated systems – from electrification to communications or automation systems – sit at the heart of every infrastructure and are mission-critical in nature. With highly attuned engineering capabilities at our core, we have successfully delivered complex, large-scale projects amidst the most challenging conditions. Our technologies are designed to reduce waste, allow for greener, smarter processes and are built to last.

Listed on the Singapore Exchange since 1999 and with our presence across 15 countries, 61 offices, and more than 2,000 employees across the globe, we enjoy long-standing relationships with a sizeable customer base comprising large government organisations and renowned brands. Over the years, we have built a workplace culture and management style that is people-centric, supportive and collaborative with employee well-being and people improvement as our key focus. Our passion for our work has resulted in a consistent profit track record for the past three decades, as we continue to pursue operational excellence to achieve sustainable growth and enhanced shareholder returns.

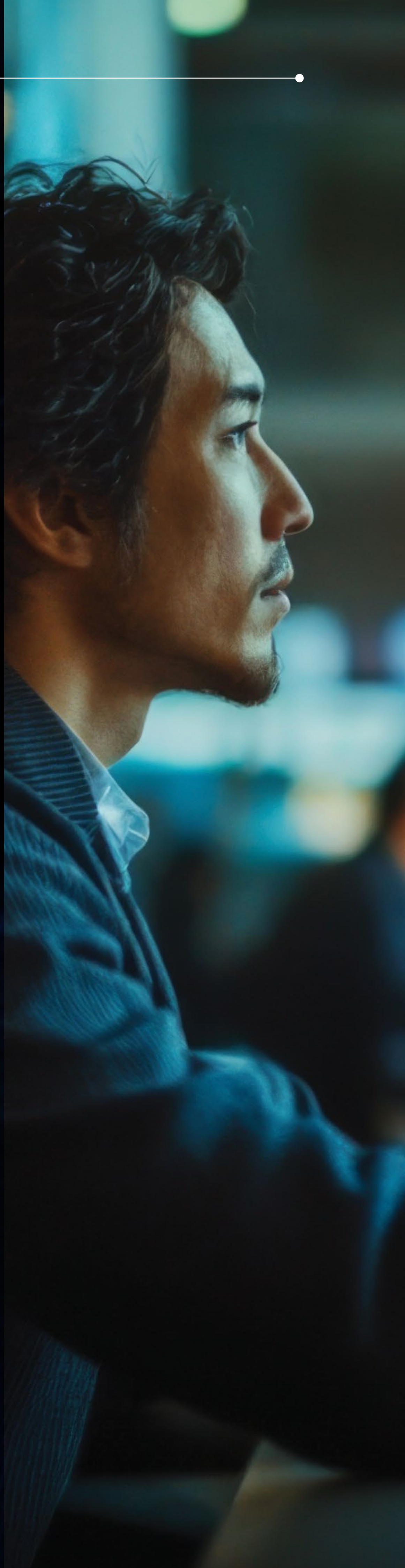
CSE Global – Customer Satisfaction Everytime.

61 Offices

More than **2,000** employees

DRIVING RESILIENCE THROUGH INNOVATION

CSE Global maintains its competitive edge through the continuous pursuit for excellence. Our focus on innovation ensures adaptability in dynamic markets, empowering our team to meet evolving market demand and deliver quality engineering solutions.



MESSAGE TO STAKEHOLDERS

The Group has demonstrated resilience in FY2024 through its strong financial and operational performance, and is well-positioned to capitalise on emerging opportunities driven by key megatrends.

REVENUE

S$**861.2** million

FY2023:
S$725.1 million

EBITDA*

S$**82.2** million

FY2023:
S$63.6 million

Left:
LIM BOON KHENG
Group Managing Director /
Chief Executive Officer

Right:
TED TAN TECK KOON
Chairman

* Excluding exceptional item of US$8.0 million arbitration settlement (S$10.4 million)

Dear Stakeholders,

As we reflect on our journey this past financial year, it is with a deep sense of pride and gratitude that we share CSE Global's achievements amidst an environment marked by persistent macroeconomic volatility. The global landscape has continued to present challenges, from geopolitical tensions, inflationary pressures and persistent supply chain disruptions. Yet, CSE Global has demonstrated resilience, adaptability, and unwavering commitment to delivering value to all stakeholders.

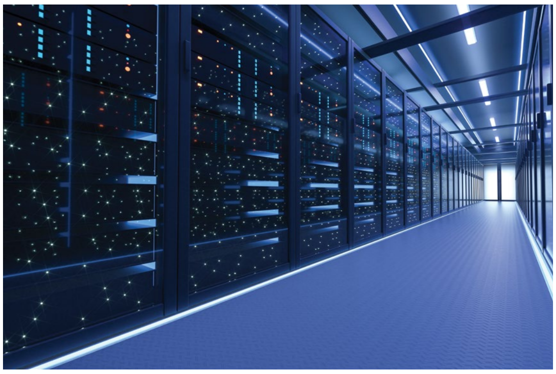
This year, we expanded our capabilities and strengthened our position as a trusted partner for our customers, which include government bodies and some of the world's leading companies in their respective industries.

We are honoured to be among the five SGX-listed companies featured in The Straits Times' list of 100 Singapore's fastest-growing firms, which highlighted our revenue growth of more than 44% between 2020 and 2023 with a compound annual growth rate of 12.98%. CSE Global was also featured amongst the Financial Times' High-Growth Companies Asia-Pacific 2025 list. These accolades are a testament to our ability to navigate market challenges and an affirmation of CSE Global's growth strategy. Our continued success has only been possible due to the hard work and dedication of our team, the trust of our customers, and the support of our Board, shareholders and business partners.

ACHIEVING NEW MILESTONES

The Group's order book remained robust at S$672.6 million as at 31 December 2024, underpinned by consistent demand for our Electrification, Communications, and Automation solutions. Revenue for the year reached a new high of S$861.2 million registering a growth of 18.8%, mainly driven by the Electrification and Automation business segments. Net profit before exceptional items surged 63.2% year-on-year to S$36.8 million. Gross profit margin remained relatively stable at around 28%, while our EBITDA rose 29.1% year-on-year to S$82.2 million, underscoring our ability to manage costs and enhance operational efficiency.

We generated a strong operating cash inflow of S$33.1 million in FY2024, which was supported by better working capital management. The Group's net debt position improved to S$72.1 million as at 31 December 2024, with a net gearing ratio of 28%, reflecting our disciplined approach to capital management and balance sheet strength.



The Electrification business segment emerged as the key growth driver this financial year, contributing more than 50% of total revenue. During the year, we secured around S$200 million of major Electrification contracts that are slated for execution through till 2027, one of which is for a data centre project in the United States of America ("USA"). In FY2024, Electrification revenue improved by 30.0% to S$434.8 million, mainly due to significant contributions attributable to major contracts secured in FY2023 and new projects secured in FY2024. The segment's EBITDA grew by 44.0%, rising from S$29.7 million in FY2023 to S$42.7 million in FY2024. This increase was due to higher revenue achieved with stable gross margins and improved operating leverage. Our strategic focus on Electrification solutions, which are increasingly critical in supporting urbanisation, decarbonisation, the global energy transition, digital transformation and growing AI utilisation, have shown to be successful in enhancing our stronghold in our key markets and driving sustainable growth for the Group.

Our Communications business segment continued to see stable demand, particularly in the USA, United Kingdom ("UK"), Australia, New Zealand, and Singapore. The Communications business segment saw a modest revenue growth of 5.2%, increasing from S$220.5 million in FY2023 to S$232.0 million in FY2024. Despite the revenue growth, the

MESSAGE TO STAKEHOLDERS

segment's EBITDA were 7.8% lower at S$25.6 million in FY2024, mainly attributed to an unfavourable sales mix at lower gross margins for international communications businesses. Customers have consistently turned to us for our expertise in providing secure, reliable, and scalable communications infrastructure, further solidifying our reputation as a market leader in this space.

Meanwhile, demand for our Automation solutions remained stable, supported by steady requirements in industrial automation and process control. The Automation business segment experienced a revenue growth of 14.3%, increasing from S$170.0 million in FY2023 to S$194.4 million in FY2024. This growth was mainly due to higher revenue contributions from the Americas and Asia Pacific regions. The segment's EBITDA improved significantly, up 124.2% from S$6.2 million in FY2023 to S$13.8 million in FY2024. To align with current market trends such as heightened AI adoption and cybersecurity needs, we are actively exploring the provision of more automation software solutions to complement our existing hardware offerings.

Our recurring revenue streams continue to be stable. Our teams are working hard to convert larger contracts into flow contracts upon project completion, ensuring a steady stream of revenue and long-term customer relationships.

In preparation for future growth, we are ramping up production capacity. We have recently completed the divestment of a 16.68-acre industrial property in North Houston, Texas, secured with a long-term lease agreement to ensure the continuity of the production capacity to support our existing business volume. This strategic move frees up capital for the acquisition of a larger property in the USA, enabling us to expand operations, optimise asset utilisation, and generate greater value to shareholders.

ACQUIRING CAPABILITIES FOR FUTURE GROWTH

Strategic acquisitions remain a cornerstone of CSE Global's growth strategy to enable the Group to expand our capabilities, diversify income streams, and strengthen market position. Our proven track record of successfully integrating over 40 acquisitions since inception underscores our ability to identify value-accretive opportunities that complement our existing businesses while driving earnings growth.

In FY2024, we continued to build on this legacy by executing targeted acquisitions that align with our long-term vision and growth drivers. To ensure we are well-positioned to ride the energy transition wave, we acquired Linked Group, a Queensland-based provider of commercial solar energy solutions. This acquisition enhances our electrification capabilities, allowing us to supply and install sustainable power systems that turn existing commercial spaces into renewable energy hubs, as well as gain expertise in building entirely off-grid complexes.

To further bolster our Communications business, we acquired RFC Wireless, a move that strengthens our geographic coverage and customer relationships within the USA market. With increasing demand for enhanced connectivity and security, this acquisition reinforces our market reputation as a trusted partner in critical communications solutions.

These acquisitions exemplify our disciplined approach to growth—ensuring that each addition is strategically aligned with our core competencies and markets while contributing meaningfully to our financial performance. Beyond expanding our technical expertise, they also deepen our relationships with key stakeholders, including customers, suppliers, and business partners.

BUILDING A STRONG TEAM

In 2024, our Group Managing Director and Chief Executive Officer, Mr. Lim Boon Kheng, was honoured with the prestigious Best Chief

Executive Officer award at the Singapore Corporate Awards among listed companies with a market capitalisation of less than S$300 million. This recognition illustrates his visionary leadership and commitment to driving sustainable growth for the organisation.

Looking ahead, CSE Global is reinforcing its leadership bench strength to prepare for the next phase of growth. We are also actively exploring innovative ways to streamline workflows and foster greater synergies across our diverse markets, ensuring operational efficiency and enhanced value creation.

To remain competitive amidst emerging megatrends, we understand the importance of continuous upskilling and attracting top-tier talent. Our focus on growing the team strategically and training, coupled with maintaining a healthy employee retention rate, reflects our dedication to cultivating a supportive environment where talent can thrive. By empowering our team and investing in their development, we are confident that CSE Global will continue to deliver cutting-edge solutions and achieve long-term success.

UPHOLDING HIGH STANDARDS OF CORPORATE GOVERNANCE

At CSE Global, we are unwavering in our commitment to maintaining the highest standards of corporate governance. This commitment not only safeguards the interests of all stakeholders but also fosters trust and confidence in the Group. Our robust governance framework ensures that we operate with transparency, accountability, and integrity, which are key to our long-term success.

A testament to our dedication to upholding exemplary corporate governance was CSE Global being awarded Gold for Best Risk Management and Best Annual Report among listed companies with a market capitalisation of less than S$300 million category at the Singapore Corporate Awards 2024. These accolades reflect our efforts to constantly improve our corporate governance standards by aligning them with evolving regulatory and industry benchmarks.

CSE Global is committed to upholding corporate governance standards, which we believe will create more value for our shareholders. We will continue to strengthen our corporate governance practices, supported by our capable team and the Board.

GOOD PROGRESS IN SUSTAINABILITY AND COMMUNITY EFFORTS

Sustainability and corporate social responsibility ("CSR") remain integral to our operations and growth strategy. In FY2024, we continued to make meaningful progress in advancing our environmental, social, and governance (ESG) initiatives while deepening our commitment to the communities where we operate.

At CSE, we employ two main sources of energy consumption for our operations - our vehicle fleet, which predominantly runs on diesel and petrol, alongside electricity usage across our office premises, warehouses, and integration centres. We are dedicated to reducing our energy consumption across all operations to ultimately mitigate our carbon footprint whilst negating detrimental environmental impacts.

We employ a two-pronged approach towards reducing energy consumption and mitigating our carbon footprint. We have implemented motion sensor lighting and energy efficient bulbs, and perform routine energy performance assessments across our facilities to improve energy efficiency. We also promote employee awareness of energy conservation. To offset carbon emissions by contributing to reforestation efforts and improving biodiversity, a donation was made by our Australian operations towards the planting of 350 trees in 2024. Additionally, we are transitioning to cleaner energy sources by phasing in electric vehicles.

These initiatives reduce environmental impact, contribute to operational cost savings and enhance long-term business resilience. By minimising our

MESSAGE TO STAKEHOLDERS

CSE Global remains committed to driving sustainable growth and creating more value for shareholders, while making a positive impact on society through various corporate social responsibility initiatives.

environmental footprint and achieving resource efficiency, this enables us to gain a competitive advantage as an environmental champion in our industry, which in turn may raise our brand profile.

On the community front, CSE Global remains steadfast in its commitment to giving back to communities while pursuing business objectives. Our CSR programme has a particular emphasis on community engagement and contributions through meaningful initiatives and social causes.

In the Americas, CSE participated in over 40 different community activities, fundraisers, and events supporting various local non-profit organisations to make a positive impact on the lives of others. CSE Americas continued its support to the United Way of Greater Houston and Southwest Louisiana for the fourth consecutive year. Fundraising events for charitable causes that CSE Americas participated in include the 37th annual TechnipFMC's United Way golf tournament, the 4th Annual TechnipFMC United Way Sporting Clays tournament and the ExxonMobil United Way Golf tournament. CSE Americas also helped United Way by contributing over US$8,000 in funds, sponsoring meals and dedicating 48 community work hours at events. CSE Americas is proud to serve as a "Cook Sponsor" at several local charitable events, where we served over 1,200 meals and devoted more than 100 community work hours.

Charitable donations were made during the year to organisations such as the Astros Golf Foundation, the Houston Electrical League Foundation, and the National Fire Protection Organisation. CSE Americas' Veterans Network was also honoured for its continuous support of local non-profit veterans' organisations in the Houston area.

In 2024, CSE Australia contributed over A$18,000 in donations and gifts to not-for-profit organisations. We supported a range of beneficiaries, including The Smith Family for children's wellbeing, the Lions Cancer Institute and Kids Cancer Support Group for cancer research, the Immune Deficiencies Foundation Australia, the Lions Festival for Disadvantaged Children and Rotary Foundations, as well as continued advocacy for Movember, an annual event to fund research, awareness, and services for men's health. Additionally, donations were made to support local community sporting activities, such as football and surf lifesaving, throughout Australia.

In Singapore, we granted a total of 25 bursaries to local education institutions and supported our staff with their families' education expenses. In 2024, we donated S$84,000 to various community groups. In addition, we continued rendering our support to Yellow Ribbon Singapore as part of our commitment to help inmates and ex-offenders rebuild their lives and lower their recidivism rate through skills and long-term career development.

We will continue to champion good corporate social responsibility and seek to empower underprivileged groups, while enriching communities through staff volunteerism.

GENERATING SUSTAINABLE RETURNS FOR STAKEHOLDERS

For the past 37 years, our proven track record of delivering profitable growth in the form of consistent dividend payouts highlights our commitment to creating long-term value for shareholders.

On the back of the Group's commendable FY2024 financial performance, the Board of Directors has recommended a final one-tier tax-exempt dividend of 1.15 Singapore cents per ordinary share, subject to shareholders' approval at the upcoming Annual General Meeting. Together with the interim dividend of 1.25 Singapore cents per ordinary share paid earlier in the year, this translates to a total dividend payout of 2.4 Singapore cents per ordinary share, representing 64% of the Group's FY2024 net profit.

APPRECIATION AND ACKNOWLEDGEMENTS

Our success would not have been possible without the contributions of many. We would like to express our heartfelt appreciation to our Board of Directors for their leadership and guidance, taking the business to new heights in 2024. We would also like to thank our customers and business partners for their continued support and trust. To our shareholders, thank you for your confidence in CSE Global.

On behalf of the Board, we express our gratitude to Mr Lim Ming Seong, who stepped down as Chairman after years of invaluable contributions to the company. We would also like to thank Mr Sin Boon Ann for his invaluable contributions during his tenure as Non-Executive Independent Director. We extend a warm welcome to Mr Tang Wai Loong Kenneth on his appointment to the Board as a Non-Executive Independent Director.

Last but not least, our deep appreciation towards the management team and staffs for their contributions to our continued growth and robust FY2024 performance.

Despite ongoing uncertainties in the macro-economic environment, we remain confident in our solid fundamentals and well-honed capabilities. We remain committed to creating sustainable value for all stakeholders and further growing the business in FY2025.

TED TAN TECK KOON
Chairman

LIM BOON KHENG
Group Managing Director/
Chief Executive Officer

BOARD OF DIRECTORS

TAN TECK KOON, 65
CHAIRMAN
NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Mr Ted Tan Teck Koon brings to organisations about 40 years of experience in building high performance organisations in both the private and public sector.

Mr Tan spent 18 years in the private sector where he held senior appointments as the President & CEO and Managing Director of U.S. and U.K. companies and was the Senior Vice-President of CSE Global before he joined the public service in 2003. He was the former Deputy CEO and now an Enterprise Fellow with Enterprise Singapore, a statutory board under the Ministry of Trade and Industry.
He is concurrently an Operating Partner of Heliconia Capital Management, a subsidiary of Temasek Holdings.

Mr Tan shares his wealth of experience as an Adjunct Associate Professor at the Nanyang Business School of Nanyang Technological University. He has a successful track record in strategy, investments, mergers & acquisitions, governance, risk management and internationalisation.
In 2012, Mr Tan was awarded the Public Administration Medal (Silver) by the Singapore government for his significant contribution to the Public Service.

Date of first appointment as a director
1 May 2023

Date of last re-election as a director
29 April 2024

Board Committee Membership
Remuneration Committee (Member)

Academic & Professional Qualification
- Bachelor of Applied Science (Honours) in Electrical Engineering, University of Windsor
- MBA, University of Minnesota
- Advanced Management Program, Harvard Business School
- International Directors Programme, INSEAD
- Senior Executive Programme, Tsinghua and Fudan University
- Senior Accredited Director, Singapore Institute of Directors

Present Directorship
CSE Global Limited
Q & M Dental Group (Singapore) Limited
Trusted Services Pte Ltd
INEX Innovate Pte Ltd
Maxburgh Global Venture Pte Ltd
China Life Insurance (Singapore) Pte Ltd
Hua & Hua Consulting (Singapore) Pte Ltd
Champquest Sdn Bhd

Present Principal Commitments
Enterprise Fellow, Enterprise Singapore

Past Directorship held over the preceding five years
IPI Singapore
Committee for Private Education, Skills Future Singapore
Intellectual Property Office of Singapore
Kyna Pte Ltd
Wang Learning Centre Pte Ltd

Past Principal Commitment held over the preceding five years
Deputy Chief Executive, Enterprise Singapore

LIM BOON KHENG, 58
GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER
EXECUTIVE DIRECTOR

Mr Lim Boon Kheng joined CSE Global Limited in 1999 as the Group Financial Controller. Prior to that, Mr Lim began his career in 1990 as an accountant with ULC Systems (FE) Pte Ltd. He then joined Singapore Technologies Pte Ltd in 1991 as an accountant and was promoted to various positions in the organisation. He is concurrently the Managing Director of CSE Global (Asia) Pte Ltd.

Date of first appointment as a director
13 August 2013

Date of last re-election as a director
29 April 2024

Board Committee Membership
Nil

Academic & Professional Qualification
- Bachelor of Accountancy, National University of Singapore

Present Directorship
CSE Global Limited
Astib Group Pty Ltd (Australia)
Blackstar Services, LLC (United States)
CC American Oilfield, LLC (United States)
Converge Resources, Inc (United States)
CSE (Americas) Pte Ltd
CSE (Americas), Inc (United States)
CSE Communications & Security Pte Ltd
CSE Communications & Security Sdn Bhd (Malaysia)
CSE Crosscom (International) Pte Ltd
CSE Crosscom Pty Ltd (Australia)
CSE Crosscom UK Limited (United Kingdom)
CSE Crosscom USA, Inc (United States)
CSE EIS Pte Ltd
CSE Global (Americas) Pte Ltd
CSE Global (Asia) Pte Ltd
CSE ICON, Inc (United States)
CSE New Zealand Ltd (New Zealand)
CSE Systems & Engineering (India) Private Limited (India)
CSE Transtel India Private Limited (India)
CSE W-Industries, Inc (United States)
CSE-Comsource Pty Ltd (Australia)
CSE-EIS (Malaysia) Sdn Bhd (Malaysia)
CSE-Global (Australia) Pty Ltd (Australia)
CSE-Hankin (Singapore) Pte Ltd
CSE-Hankin Inc (United States)
CSE-IAP Pte Ltd
CSE-ITS Pte Ltd
CSE-Transtel Pty Ltd (Australia)
CSE Technologies Pte. Ltd.
CSE-Uniserve Corporation Pty Ltd (Australia)
CSE-Uniserve Pty Ltd (Australia)
Grid Communications Pte. Ltd.
Gulf Coast Power & Control of Louisiana, LLC (United States)
Transtel Engineering (Tianjin) Co Ltd (China)
Transtel Engineering (Nigeria) Ltd (Nigeria)
Volta Properties, LLC (United States)
Volta Services, LLC (America)
Volta Technologies, LLC (America)
Volta, LLC (United States)
W-Industries of Louisiana, LLC (United States)
W-Industries of Texas, LLC (United States)

Present Principal Commitments
Group Managing Director/Chief Executive Officer,
CSE Global Limited

Past Directorship held over the preceding five years
Transtel Engineering Thailand Ltd (Thailand)
Transtel Engineering PNG Limited (Papua New Guinea)

Past Principal Commitment held over the preceding five years
Nil

BOARD OF DIRECTORS

TAN CHIAN KHONG, 68
LEAD INDEPENDENT DIRECTOR

Mr Tan Chian Khong has approximately 35 years of experience in the audit industry in Singapore. He joined Ernst & Young LLP (then known as Turquands Ernst & Whinney) in 1981 and was a partner for 20 years until his retirement in June 2016.

Date of first appointment as a director
19 February 2019

Date of last re-election as a director
20 April 2022

Board Committee Membership
Audit and Risk Committee (Chairman)
Nominating Committee (Chairman)

Academic & Professional Qualification
- Bachelor of Accountancy, National University of Singapore
- Master of Business Administration, University of South Australia
- Master of International Environmental Management, University of Adelaide
- Member of the American Institute of Certified Public Accountants
- Fellow, Institute of Singapore Chartered Accountants
- Fellow, CPA Australia

Present Directorship
CSE Global Limited
SMRT Corporation Ltd
Alliance Bank Malaysia Berhad
Hong Leong Asia Ltd
The Straits Trading Company Limited
Gambling Regulatory Authority of Singapore
Banyan Tree Holdings Limited
Agency for Science, Technology and Research (as Audit Committee member)

Present Principal Commitments
NIL

Past Directorship held over the preceding five years
Trailblazer Foundation Ltd
Xinghua Port Holdings Ltd.

Past Principal Commitment held over the preceding five years
NIL

DR LEE KONG TING, 76
NON-EXECUTIVE INDEPENDENT DIRECTOR

Dr Lee Kong Ting has been very active in the Process & Control industries for more than 40 years. He served 2 global companies in his working career during this period. He first served 23 years in The Foxboro Company USA, now is a Schneider Electric Company. The last position he held was Group President/Managing Director for Asia Pacific and he was in that position for 10 years.

Subsequently, he joined Yokogawa as Group President/MD for Asia Pacific and was then promoted to President & CEO of Yokogawa Electric International in charge of Global business outside Japan. In the same period, he was a Vice President and a Board Member of Management Board of Yokogawa Electric Corporation Japan. He was Chairman/Director of all Yokogawa Regional Headquarters globally including Europe, Americas, China, Russia, Australia and Asia Pacific during the same period. The last position he held was Consultant/Advisor for the Yokogawa Corporate Headquarters, and he was with Yokogawa for almost 20 years.

Date of first appointment as a director
1 February 2017

Date of last re-election as a director
20 April 2022

Board Committee Membership
Audit and Risk Committee (Member)

Academic & Professional Qualification
- Bachelor of Science in Electrical and Electronic Engineering, National Taiwan University
- Master of Science and PhD, both in Control Engineering, University of Bradford in the United Kingdom
- Chartered Engineer and Member of the Institute of Electrical Engineers in the United Kingdom

Present Directorship
CSE Global Limited

Present Principal Commitments
NIL

Past Directorship held over the preceding five years
NIL

Past Principal Commitment held over the preceding five years
NIL

BOARD OF DIRECTORS

Date of first appointment as a director
1 July 2020

Date of last re-election as a director
20 April 2023

Board Committee Membership
Audit and Risk Committee (Member)
Remuneration Committee (Member)

Academic & Professional Qualification
- Degree in Law (LLB Honours), Queen Mary and Westfield College, University of London
- Postgraduate Diploma in Singapore Law, National University of Singapore

Present Directorship*
CSE Global Limited
Grab Holdings Inc
StarHub Ltd
Singapore International Foundation
Global Esports Federation
Singapore Land Group Limited
**Listed Companies and Non-Profit organisations*

Present Principal Commitments
Investments

Past Directorship held over the preceding five years
Avarga Limited
Dreamscape Networks Limited
Eu Yan Sang International Ltd
First Resources Ltd
Middle East Institute
NTUC Fairprice Cooperative Limited
Sabana Real Estate Investment Management Ltd
Working Capital Partners Ltd
Yanlord Land Group Limited

Past Principal Commitment held over the preceding five years
NIL

NG SHIN EIN, 50
NON-EXECUTIVE INDEPENDENT DIRECTOR

Ms Ng Shin Ein was appointed to the Board in July 2020 and was last re-elected as a Director in 20 April 2023. She brings with her a blend of legal, finance and diplomatic experience.

Ms Ng is a legally trained private equity entrepreneur and co-founder of Gryphus Capital, a pan-Asian private equity firm. Prior to this, Ms Ng spent a number of years at the Singapore Exchange where she was responsible for developing Singapore's capital market and bringing foreign companies to list in Singapore. Additionally, she was part of the Singapore Exchange's IPO Approval Committee, where she contributed industry perspectives and acted as a conduit between the market and regulators.

Ms Ng Shin Ein was admitted as an advocate and solicitor of the Singapore Supreme Court in 1998 and practiced as a corporate lawyer in Messrs Lee & Lee. Whilst at Messrs Lee & Lee, she advised clients on joint ventures, mergers and acquisitions and fundraisings.

Ms Ng has served on boards of companies listed on Nasdaq, the Singapore Exchange and the Australian Stock Exchange. She has steered some of these companies through their IPOs and seen others through their privatisations. She presently serves on the boards of Grab Holdings Inc, Starhub Limited and Singapore Land Group Limited. She is also on the Board of Governors of the Singapore International Foundation.

In 2015, Ms Ng was awarded the Friend of Labour award for her service as a board member of Fairprice.

Apart from corporate boards, Ms Ng serves as Singapore's Non-Resident Ambassador to the Republic of Hungary.
In 2021, Ms Ng was awarded the Commander's Cross, Order of Merit, the second highest civilian state award of Hungary.

BOARD OF DIRECTORS

WONG SU YEN, 54
NON-EXECUTIVE INDEPENDENT DIRECTOR

Ms Wong Su Yen brings over 30 years of experience in driving business strategy, strategic talent development, organisational transformation, operations re-design and risk management.

Ms Wong has served on the Boards of multiple publicly-listed, family-controlled, private equity-held, government-linked, and not-for-profit organisations in Australia, India, Indonesia, Myanmar, Singapore and the United States. She currently serves as Lead Independent Director of Yoma Strategic Holdings Ltd, and is a Director of First Resources Ltd, City Developments Limited, and the Infocomm Media Development Authority (IMDA). She is the Immediate Past Chairperson of the Singapore Institute of Directors.

Previously, Ms Wong was the CEO of the Human Capital Leadership Institute, and prior to that, she was Chairman (Singapore) for Marsh & McLennan Companies and Senior Partner and Managing Director, Southeast Asia at Mercer. Before joining Mercer, she held various roles in leading strategy consulting firm, Oliver Wyman, and was the Asia Managing Partner for the Communications, Information and Entertainment practice.

Date of first appointment as a director
1 July 2020

Date of last re-election as a director
20 April 2023

Board Committee Membership
Remuneration Committee (Chairman)
Nominating Committee (Member)

Academic & Professional Qualification
- Bachelor of Arts (summa cum laude) in Music and Computer Science, Linfield University
- Master of Business Administration, University of North Carolina at Chapel Hill
- Fellow and Senior Accredited Director, Singapore Institute of Directors
- Member of the Young Presidents' Organisation
- Member of the Australian Institute of Corporate Directors

Present Directorship
CSE Global Limited
First Resources Ltd
Yoma Strategic Holdings Ltd
City Developments Limited
James Cook University Pte Ltd
James Cook University
Element Fleet Sourcing Pte Ltd
PeopleStrong HR Services Pvt. Ltd.
PeopleStrong Pte Ltd
The Teng Ensemble Ltd
National Kidney Foundation
Infocomm Media Development Authority
Bronze Phoenix Pte Ltd
Fermin Diez & Associates Pte Ltd

Present Principal Commitments
Bronze Phoenix Pte Ltd

Past Directorship held over the preceding five years
Mediacorp Pte Ltd
CPA Australia
Nera Telecommunications Ltd
NTUC First Campus
Singapore Institute of Directors
Pegasus Asia

Past Principal Commitment held over the preceding five years
NIL

BOARD OF DIRECTORS

DEREK LAU TIONG SENG, 58
NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Mr Derek Lau Tiong Seng joined Heliconia as CEO and Board member in April 2013. Prior to that, he was the Managing Director, Investment, with Temasek Holdings. In his 10 years tenor with Temasek, he headed the Industrials Cluster and also served as country head in Vietnam looking after investments in Vietnam, Myanmar, Cambodia and Laos.

Mr Lau has more than a decade of experience in investment banking before joining Temasek. He specialized in mezzanine debt, project finance, leveraged buyout and private equity investments.

Mr Lau is currently a member of the Listings Advisory Committee of Singapore Exchange Limited (SGX), a member of ISEAS-Yusof Ishak Institute's Board of Trustees and a member of the Clinical Governance Board Committee of National Healthcare Group.

Date of first appointment as a director
22 July 2020

Date of last re-election as a director
20 April 2023

Board Committee Membership
Nominating Committee (Member)

Academic & Professional Qualification
- Bachelor of Business Administration, National University of Singapore
- Royal Military Academy, Sandhurst (UK)

Present Directorship
Heliconia Capital Management Pte. Ltd.
Orchid 2 Investments Pte. Ltd.
Vanda 1 Investments Pte. Ltd.
Heliconia Holdings Pte. Ltd
Encyclia 1 Investments Pte Ltd
Encyclia 2 Investments Pte Ltd
Orchid 3 Investments VCC
Ivy 2 Investments VCC
CSE Global Limited
ISEAS-Yusof Ishak Institute Board of Trustees
Heliconia GP I Pte. Ltd.
Gerbera 1 Investments VCC
Vanda Generation Pte. Ltd.
VG Fund Investments Pte. Ltd.
VG Equity Pte. Ltd.
Varuni Holdings Pte. Ltd.
VG Equity 2 Pte. Ltd.
Orchid 4 Investments VCC
Kallang Alive Sport Management Co Pte. Ltd.
Glife Technologies Pte. Ltd.
Centre For Fathering Limited

Present Principal Commitments
Chief Executive Officer, Heliconia Capital Management Pte. Ltd.

Past Directorship held over the preceding five years
Group One Holdings Pte. Ltd.
Ivy 1 Investments VCC
Orchid 1 Investments Pte. Ltd.

Past Principal Commitment held over the preceding five years
NIL

TANG WAI LOONG KENNETH, 55
NON-EXECUTIVE INDEPENDENT DIRECTOR

Mr Tang Wai Loong Kenneth was appointed to the Board in April 2024. Mr Tang is a corporate lawyer in private practice and is the senior partner of Chang See Hiang & Partners. He has over 25 years of experience in active legal practice and his main areas of practice are mergers and acquisitions, corporate finance, listed company advisory work and general corporate law advice.

Date of first appointment as a director
29 April 2024

Date of last re-election as a director
N.A.

Board Committee Membership
Audit and Risk Committee (Member)

Academic & Professional Qualification
- Bachelor of Laws (Honours), University of Newcastle upon Tyne, United Kingdom
- Master of Laws, University of London (King's College London)
- Master of Business Administration, University of London (Imperial College London)
- Master of Science (Finance), Baruch College, The City University of New York
- Advocate and Solicitor, Supreme Court of Singapore
- Barrister, Middle Temple
- Solicitor, England and Wales
- Attorney and Counselor-at-law, New York
- Fellow, Singapore Institute of Arbitrators
- Fellow, Chartered Institute of Arbitrators
- Accredited Mediator, Chartered Institute of Arbitrators

Present Directorship
CSE Global Limited
Brillante Marketing Pte Ltd
Powermatic Data Systems Limited

Present Principal Commitments
Senior Partner, Chang See Hiang & Partners

Past Directorship held over the preceding five years
Willas-Array Electronics (Holdings) Limited

Past Principal Commitment held over the preceding five years
NIL

KEY MANAGEMENT

EDDIE FOO, 53

Mr Eddie Foo is the Group Chief Financial Officer of the Company. Mr Foo is responsible for the Group's overall financial strategy and management, corporate finance and treasury management, tax and investor relations. Mr Foo has over 29 years of financial management, corporate finance and merger and acquisitions experience in listed and multinational companies. Prior to joining CSE Global, Mr Foo was the Group CFO of ECS Holdings Limited, a public listed company on SGX. Mr Foo holds a Bachelor degree in Accountancy from the Nanyang Technological University and is both an Australian registered Certified Public Accountant and a Chartered Accountant registered with the Institute of Singapore Chartered Accountants.

ROY ROWE, 67

Mr Rowe was appointed as CEO of the CSE Global Australia and New Zealand operations in 2011. Mr Rowe is also CEO for CSE's global communications and security business, CSE Crosscom. Mr Rowe has over 30 years' experience working in the mining, oil and gas, construction and infrastructure industries delivering engineering, and integration solutions.

DONNIE SMITH, 52

Mr Smith was appointed as the Chief Executive Officer of CSE Americas Inc. in May 2018 and is concurrently the President and Chief Operating Officer of CSE W-Industries of Louisiana, a wholly owned subsidiary company of CSE Global Ltd since November 2014. Mr Smith has over 25 years of Upstream Oil & Gas experience, including his 13 years' working experience from 2005 to 2018 as President and Operations Manager of Control Concepts & Technology, a CSE W-Industries company.

ACCELERATING GROWTH WITH STRATEGIC FOCUS

CSE continues to expand and strengthen its Electrification and Communications capabilities to support the growing data centre market. This strategic focus amplify our market leadership while creating a sustainable growth stream for our stakeholders.

OUR SOLUTIONS

Creating mission critical solutions for high integrity environments over 3 decades

ELECTRIFICATION

COMMUNICATIONS

AUTOMATION

ELECTRIFICATION

Facilitating the green transition towards a sustainable economy

CSE has grown to become the preferred solutions provider for the design, engineering, procurement, and integration of highly complex electrical distribution and power systems for the data centre, industrial, manufacturing, and utility/energy markets. With its broad array of products and considerable experience as a systems integrator, CSE is building the electricity grid of the future: innovative, reliable, and sustainable.

Power Systems Protection & Control Solutions

CSE designs and develops solutions to meet specific customer requirements that satisfy market requirements.

CSE's established solutions include:

- Power system protection and control
- Automation and communications systems for substations and switchyards
- Power asset management, monitoring and diagnostics
- Power transformers for renewable energy generation and storage
- Motor starting equipment and management
- Electrical equipment sales, maintenance and onsite servicing
- Device data collection, analytics and advisory

Data Centre Solutions

CSE provides data center electrification solutions to power 24x7 operations with switchgears, remote power panels (RPPs), busway, and prefabricated modular solutions in modular eHouses and skids.

Electrical Equipment Centres

CSE provides design, procurement and integration of various electrical equipment in an enclosure, such as HVAC systems, fire & gas detection systems, UPS systems, switchgears, battery systems, and protection and control panels.

OUR SOLUTIONS

ELECTRIFICATION

Facilitating the green transition towards a sustainable economy

CSE has grown to become the preferred solutions provider for the design, engineering, procurement, and integration of highly complex electrical distribution and power systems for the data centre, industrial, manufacturing, and utility/energy markets. With its broad array of products and considerable experience as a systems integrator, CSE is building the electricity grid of the future: innovative, reliable, and sustainable.

Electric Vehicle Charging Infrastructure Solutions

CSE designs, engineers and integrates charging station systems to the grid as well as optimises substation capacity for transmission and distribution of power. CSE provides solutions to reduce overloading of local substations and manage the strain on the distribution network, including transformers, power lines, and associated equipment, especially in situations when multiple EVs are charging in a specific area which can cause localized grid congestion. The sizing of the local distribution infrastructure is critical in order to handle the peak demand from EV charging, to reduce voltage fluctuations and power line losses, and ensure power quality.

Renewables Energy Solutions

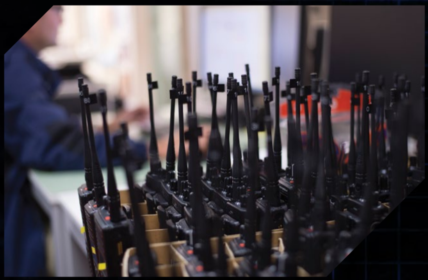
CSE supplies and installs a large portfolio of innovative and diversified solar energy solutions. From engineering consultancy to fabrication, CSE's turnkey solutions include turning existing commercial spaces into sustainable power sources and building entirely off-grid complexes.

Utility Solutions

CSE provides solutions for the automation of substations, integrating protection relays, protection and control IEDs (intelligent electronic devices), remote terminal units, termination cabinets, DC power systems, power switching equipment, security system, generator and building utilities including cooling systems, to support the electricity transmission and distribution network. CSE's solutions help to increase the transmission and distribution's network power quality, continuity of service and grid's stability as well as to optimize operation of the electric system.

COMMUNICATIONS

Partnering the world's most advanced technology manufacturers to design state-of-the-art communications network systems to ensure safety, improve performance and maintain critical operations



Two-Way Radio Communications

CSE designs, installs and maintains two-way radio communications for both permanent and temporary locations. Its solutions offerings range from equipment rental, service and maintenance through to turnkey system design and management. CSE's two-way radio systems offer the latest in personnel safety management and personnel tracking, location and "man down" alert systems.

Conventional & Trunked Radio Systems

Conventional two-way radio networks have evolved into complex digital trunked systems providing highly reliable, secure communications that can be delivered across a single site, along a corridor hundreds of kilometres long, through an underground tunnel or even linking multiple sites. These systems not only provide two-way voice communications but are now an integral part of companies OH&S policy, providing GPS tracking, man down emergency alarm and many other features including wireless data messaging. CSE has many years of experience in this area having designed, constructed and commissioned both analogue and digital trunked radio systems (TETRA and APC025) that now support many thousands of terminals.

VSATSatellite Communications Networks

VSAT satellite systems are typically used in remote areas where conventional telecommunications are not accessible, or to backup other communications to form high reliability networks. The systems can be scaled to provide complete corporate facilities or only emergency fallback. CSE can provide VSAT systems for voice, data, remote monitoring and video conferencing. We can also provide the bandwidth or space segment required for a complete turnkey solution.

Fibre Optic Systems

Fibre optic networks offer the highest throughput of all commonly used forms of communications. The networks are also more secure and reliable than copper or wireless networks. CSE has the capability to design, construct and commission fibre optic networks for hazardous and industrial applications.

Microwave Radio Systems

Microwave radio systems can provide point-to-point or point-to-multipoint communications. CSE provides complete system engineering for microwave systems. Our services include, site surveys, path analysis, spectrum planning, equipment recommendations and construction. Our system design can also incorporate solar and emergency diesel power as well as structural analysis and construction of towers.

OUR SOLUTIONS

COMMUNICATIONS

Partnering the world's most advanced technology manufacturers to design state-of-the-art communications network systems to ensure safety, improve performance and maintain critical operations

Public Address & General Alarm Systems (PAGA)

These are essential safety systems which alert personnel within a plant in the event of an emergency. CSE builds and engineers the systems to individual client requirements as this may require integrating the PAGA system with many different legacy plant systems. As part of the design work, CSE can also perform sound analysis and coverage studies to ensure audible, clear sound coverage is achieved in all areas where personnel need to be alerted.

CCTV, Access Control & FIDS Systems

CSE can provide high-quality CCTV systems designed for remote monitoring of plant and equipment as well as providing surveillance for security applications. Our systems are designed to comply with the highest intrinsic safety standards for operating in hazardous areas.

Telephone Networks

Plant-wide telephone networks connected to, or integrated with, large corporate telephony networks are essential infrastructure for almost all industrial plants. As part of our overall solutions, CSE can work with clients to design telephony systems for greenfield sites incorporating the latest IP technology or integrate legacy TDM or circuit switched technology into new networks

LAN/WAN Networks

Local and wide area networks are the key to underlying infrastructure required to support plant-wide data communications. They enable computers and other devices to communicate with servers, company intranets and the internet. CSE provides design and construction services for LAN and WAN networks using fibre, copper, wireless or combinations or these mediums. CSE works with clients to ensure the design is engineered to meet their reliability requirements, this may include multiple levels of-redundancy, fire resistant materials, etc.

IP-Based Networks

IP (Internet Protocol) is the dominant standard used by almost all equipment vendors as the default communications protocol. CSE provides IP network designs for clients enabling IP devices to communicate with other devices while protecting them from unauthorised access. The network design can incorporate automatic failover switching, remote monitoring and traffic reporting.

SCADA & Telemetry Networks

CSE understands the special requirements for SCADA and Telemetry networks. While these networks are rapidly moving to a common IP protocol they still require a higher level of engineering than corporate data networks. CSE has a sound record in the design and construction of high reliability SCADA/Telemetry networks, including the integration of legacy serial systems with IP-based systems.

AUTOMATION

Streamlining, improving and automating processes to maximise efficiency and reduce the need for human intervention

Process Control System

CSE provides process control solutions that utilise supervisory control and data acquisition systems (SCADA), distributed control systems (DCS), programmable logic controllers (PLCs), motors, drives and plant transducers. Client processes are wholly dependent on the control system.

Wellhead Control System

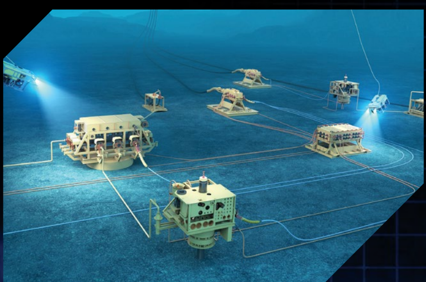
CSE provides hydraulic and/or pneumatic solutions to control dry wellhead valves and flowlines, in single or multi-headed wellhead systems. The wellhead control panel logic is often interfaced to and or controlled by the facility safety system.

SCADA

Recognised as one of the market leaders, CSE has supplied SCADA systems to a wide range of industries through the world. CSE's SCADA system integrates a real time database with business systems to provide totally managed asset-base solutions and automated predictive based decisions.

Subsea Control System

CSE has been providing Subsea Control systems since 1995 and is known as one of the premier suppliers of Subsea control systems around the world, especially in the Western hemisphere. Our products and services include:



- Engineering FEED and Interface Management service provided to Subsea Equipment Vendors and Operators
- Master Control Station (MCS): PLC-based control system that monitors and controls the entire subsea field and interfaces it with the facility Control and Safety system and Historian.
- Hydraulic Power Unit (HPU): HPU skid is responsible for providing reliable and clean hydraulic fluid at high pressures to the subsea controllers/actuators.
- Topsides Umbilical Termination Assembly (TUTA): Interfaces the subsea umbilical with all topsides controls, utilities, and Chemical Injection lines.
- Intervention and Workover Control System (IWOCS): This typically includes HPU and Operator cabin designed to be deployed in harsh hazardous area on the drilling rigs along with all the associated Subsea control panels such as the MCS and EPU.
- Fully managed Maintenance and life-of-the-field support contracts.

Safety Shutdown System

CSE has supplied many different types of safety critical systems utilising a range of technologies from relays and solid state (hardwired systems) through to redundant PLC, DCS and TMR system architecture (software based systems). Over time, these systems have evolved with advances in both the technology and the methods of implementation and validation. Our safety critical systems – Emergency Shutdown Systems, Process Shutdown Systems and Integrated Control & Safety Systems - are implemented to ensure protection of plant and personnel in potentially hazardous environments.

Fire & Gas Detection System

Fire and Gas Detection systems are of paramount importance to project plant, production and personnel. CSE specialises in the provision and implementation of high integrity fire and gas detection systems to significantly reduce the risk of incidents. CSE offers a range of solutions to monitor combustible gas, toxic gas, smoke and fire through the production facility, and provide control action for suppression, alarming and process shutdown.

OUR SOLUTIONS

AUTOMATION

Streamlining, improving and automating processes to maximise efficiency and reduce the need for human intervention

Process Skid System

CSE's chemical injection system, which consists of the skid assembly housing pumps, reservoirs, measurement and control devices and distribution circuitry, is used to disperse a wide array of treatment chemical into the production flow lines.

Real-Time Information System

CSE provides a range of Real-time Information Systems (RtIS) solutions and services that are used by customers worldwide in the monitoring, analysis, automation and optimisation of their production processes. These RtIS solutions deliver timely and accurate plant information to the desktops of personnel in various disciplines, such as operations, process, engineering, maintenance and quality, thereby ensuring that informed business decisions are made in real time.

Intelligent Transport System (ITS)

Intelligent Transport System (ITS) is an application of advanced technologies such as electronics, communication, control and information technology for the benefit for more effective transportation. CSE has built up and established its competency and capability to provide intelligent transportation solutions such as:

- Electronic Road Pricing System (Congestion Charging)
- Electronic Toll Collection System
- Motorway and Tunnel Management System
- Urban Traffic Control System
- Communication Backbone System
- Electronic Information Display System

Multiple Hearth Furnace

CSE's Multiple Hearth Furnace is a fully developed product which has established market recognition and product acceptance in municipal and industrial markets. The multi hearth is extremely flexible making it highly advantageous for use in several thermal processing areas.

Fluid Bed Incinerator

The fluid bed incinerator provides an environmentally sound method of reducing wastewater sludge, hazardous wastes and liquid wastes to a sterile, insert ash. Typically the ash is approximately 5% of the volume of feed, significantly extending the life of existing landfill and reducing the cost of their operation.

Carbon & Energy Recovery Systems

CSE combines state-of-the-art carbonisation, activation, waste heat recovery and power generation technologies to provide a sustainable solution for production of wood lump charcoal, activated carbon and electricity.

Rotary Kiln Incinerator

Horizontal refractory-lined steel chamber which rotates on a slight incline and is capable of incinerating a wide variety of hazardous and non-hazardous waste materials. The rotary kiln can accept a wide variety of wastes such as containerised solids, bulk solids, drums, contaminated soils, spent catalysts, in addition to sludges and liquids.

GROUP STRUCTURE

CSE

- **CSE Global (Americas) Pte Ltd** (Singapore) 100%
  - CSE (Americas) Pte Ltd (Singapore) 100%
    - CSE (Americas), Inc (United States) 100%
      - CSE-Hankin Inc (United States) 100%
        - Hankin Environmental System Inc (United States) 100%
      - CSE Icon, Inc (United States) 100%
      - CSE W-Industries, Inc (United States) 100%
        - W-Industries of Texas, LLC (United States) 100%
        - W-Industries of Lousiana, LLC (United States) 100%
        - Volta, LLC (United States) 100%
    - Industrias W de Mexico, S.A. de C.V. (Mexico) 100%
    - 50%: CSE W-Industries De Mexico, S. de R.L. de C.V.
  - 50%: CSE W-Industries De Mexico, S. de R.L. de C.V. (Mexico) 100%
  - Converge Resources, Inc (United States) 70%
    - Carlton Staffing (United States) 100%
- **CSE Crosscom (International) Pte Ltd** (Singapore) 100%
  - CSE Crosscom UK Limited (United Kingdom) 100%
    - CSE Crosscom Limited (United Kingdom) 100%
    - Zycomm Electronics Limited (United Kingdom) 100%
    - Radiotek Limited (United Kingdom) 100%
    - DTS.Solutions (U.K.) Ltd (United Kingdom) 100%
  - CSE Crosscom USA, Inc (United States) 100%
    - Radio One, Inc (United States) 100%
    - RFC Wireless, Inc (United States) 100%
    - Communication Service Co. (United States) 100%
- **CSE Technologies Pte Ltd** (Singapore) 100%
  - Logic Wireless Holdings Limited (New Zealand) 100%
    - Logic Wireless Limited (New Zealand) 100%
  - Logic Wireless Holdings Pty Ltd (Australia) 100%
    - Logic Wireless Pty Ltd (Australia) 100%
  - Logic Wireless Europe Limited (United Kingdom) 100%
- **Grid Communications Pte Ltd** (Singapore) 100%
- **CSE-Global (Australia) Pty Ltd** (Australia) 100%
  - CSE-Uniserve Corporation Pty Ltd (Australia) 100%
    - CSE-Uniserve Pty Ltd (Australia) 100%
      - Linked Group Services Pty Ltd (Australia) 100%
      - Linked Constructions Pty Ltd (Australia) 100%
    - CSE New Zealand Ltd (New Zealand) 100%
      - TL Parker Ltd (New Zealand) 100%
      - Parker Communication Limited (New Zealand) 100%
      - Orion NZ Radio Group Limited (New Zealand) 100%
  - CSE Crosscom Pty Ltd (Australia) 100%
    - RCS Telecommunications Pty Ltd (Australia) 100%
    - Gambier Electronics Pty Ltd (Australia) 100%
    - General Communications Pty Ltd (Australia) 100%
- 60%: CSE-Hankin (China) Co., Ltd
- 10%: CSE Systems & Engineering (India) Private Limited
- **CSE Global (Asia) Pte Ltd** (Singapore) 100%
  - 40%: CSE-Hankin (China) Co., Ltd (China) 100%
  - 90%: CSE Systems & Engineering (India) Private Limited (India) 100%
  - CSE-Hankin (Singapore) Pte Ltd (Singapore) 100%
    - CSE-Hankin (Taiwan) Ltd (Taiwan) 90%
  - CSE-ITS Pte Ltd (Singapore) 100%
  - CSE-IAP Pte Ltd (Singapore) 100%
  - CSE-EIS Pte Ltd (Singapore) 100%
  - CSE-EIS (Malaysia) Sdn Bhd (Malaysia) 100%
    - Innovative Automation Solutions Sdn Bhd (Malaysia) 70%
- **CSE Communications & Security Pte Ltd** (Singapore) 100%
  - PT CSE Communications & Security (Indonesia) 100%

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive

Lim Boon Kheng (Group Managing Director/ Chief Executive Officer)

Non-Executive

Tan Teck Koon (Chairman, Non-Independent)
Tan Chian Khong (Lead Independent Director)
Dr Lee Kong Ting (Independent)
Ng Shin Ein (Independent)
Wong Su Yen (Independent)
Derek Lau Tiong Seng (Non-Independent)
Tang Wai Loong Kenneth (Independent)

AUDIT AND RISK COMMITTEE

Tan Chian Khong (Chairman)
Dr Lee Kong Ting
Ng Shin Ein
Tang Wai Loong Kenneth

NOMINATING COMMITTEE

Tan Chian Khong (Chairman)
Wong Su Yen
Derek Lau Tiong Seng

REMUNERATION COMMITTEE

Wong Su Yen (Chairman)
Ng Shin Ein
Tan Teck Koon

COMPANY SECRETARY

Lai Kuan Loong Victor
(Appointed on 14 February 2025)

REGISTERED OFFICE

20 Collyer Quay #11-07
Singapore 049319
Tel : 65-8928 8467

BUSINESS OFFICE

202 Bedok South Avenue 1
#01-21 Singapore 469332
Tel: 65-6512 0333
Fax: 65-6742 9179

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Limited
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632
Tel : 65-6536 5355
Fax : 65-6536 1360

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Audit Partner-in-charge :
Phua Chun Yen Alvin
(since financial year ended 31 December 2024)

PRINCIPAL BANKERS

Bank of East Asia Ltd
BNP Paribas, Singapore Branch
CIMB Bank Berhad
Citibank Singapore Limited
DBS Bank Limited
JPMorgan Chase Bank N.A., Singapore Branch
MUFG Bank Ltd, Singapore Branch
Qatar National Bank
Standard Chartered Bank (Singapore) Limited
Sumitomo Mitsui Banking Corporation
The Hong Kong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

GLOBAL PRESENCE

HEAD OFFICE

CSE Global Ltd
202 Bedok South Avenue 1
Building C, #01-21
Singapore 469332
Tel: 65-6512 0333
Fax: 65-6742 9179
Web: www.cse-global.com

ASIA PACIFIC

CSE Global (Asia) Pte Ltd
CSE-IAP Pte Ltd
CSE-EIS Pte Ltd
CSE-ITS Pte Ltd
CSE-Hankin (Singapore) Pte Ltd
CSE Communications & Security Pte Ltd
Grid Communications Pte Ltd
202 Bedok South Avenue 1
Building C, #01-21
Singapore 469332
Tel: 65-6276 7600
Fax: 65-6276 7800

PT CSE Communications & Security
12th Floor, Sona Topas Tower
Jalan Jenderal Sudirman Kav. 26
Jakarta Pusat 12920
Indonesia
Tel: 62-21 250 6262
Email: sales-id@cse-comsec.com
Web: www.cse-comsec.com

CSE-EIS (Malaysia) Sdn Bhd
B1-08-03 Space U8,
Persiaran Pasak Bumi,
Section U8, Bukit Jelutong,
40150 Shah Alam,
Selangor Darul Ehsan, Malaysia
Tel: 603-5038 2886
Fax: 603-5038 2889
Email: cse-eis@cse-global.com

Innovative Automation Solutions Sdn Bhd
37, Jalan Perindustrian
4/KU8
Kaw. Perindustrian Meru Selatan
41050 Klang, Selangor Darul Ehsan
Malaysia
Tel: 603–3393 0426
Email: info@ias-cse.com

CSE Systems and Engineering (India) Pvt Ltd
No. 3, 3rd Floor, 100ft Road
2nd Stage, 1st Phase, BTM Layout
Bangalore - 560 076
India
Tel: 91-80-2678 3303 / 304

CSE-Hankin China Co Ltd
05-07, 1/F Tower 2, Zone 2, Hanwei International,
No,186 South 4th Ring Xi Lu,
Fengtai District, Beijing 100070 China
Tel: 86-10-8201 4593/4594
Fax: 86-10-8201 4600

CSE-Hankin (Taiwan) Ltd
2F-4, No. 112, Sec.2, Zhongshan North Road, Zhongshan District
#104418, Taipei, Taiwan
Tel: (886) 2 25080660
Fax: (886) 2 25995020

AUSTRALASIA

CSE-Global (Australia) Pty Ltd
Level 3 /1050 Hay Street
West Perth WA 6005
Tel: 61-8-9204 8000
Web: www.cse.net

CSE-Uniserve Pty Ltd
10 Columbia Way
Baulkham Hills
New South Wales 2153
Australia
Tel: 61-2-8853 4200
Fax: 61-2-8853 4260
Web: www.cseuniserve.net

Gambier Electronics Pty Ltd
20 White Avenue
Mount Gambier SA 5290
Australia
Tel: 61-8-8723 2122
Fax: 61-8-8723 0630
Web: www.csecrosscom.net

CSE-Crosscom Pty Ltd - Traralgon
368 Princes Highway
Traralgon East, VIC 3844
Australia
Tel: 61-3-9322 1500
Fax:61-3-9328 3737
Web: www.csecrosscom.net

CSE-Uniserve Pty Ltd - Queensland
6/505 Lytton Road
Morningside
Queensland 4170
Australia
Tel: 61-7-3861 7777
Fax: 61-7-3861 7700

RCS Telecommunications Pty Ltd
CSE-Crosscom Pty Ltd - Queensland
Level 10 – 133 Mary Street
Brisbane QLD 4000
Australia
Tel: 61-7-3228 0800
Web: www.cse.net

Dalby Branch
142 Drayton Street
Dalby QLD 4405
Tel: 61-7-4669 9300

Mackay Branch
11 Transport Avenue
Paget QLD 4740
Tel: 61-7-4898 0600

Moranbah Branch
Unit 7
30 Thorpe Street
Moranbah QLD 4744
Tel: 61-7-4846 4700

Mount Isa Branch
39 Barkly Highway
Miles End
Mount Isa QLD 4825
Tel: 61-7-4744 9200

CSE New Zealand Limited
CSE-Genesis
15 Polaris Place
East Tamaki
Auckland 2013
New Zealand
Tel: 64-9-271 3810
Fax: 64-9-265 1362
Web: www.cse-waf.nz
Web: csecrosscom.net

CSE-Comsource Pty Ltd - Main Office & Warehouse
CSE Crosscom Pty Ltd
CSE-Uniserve Pty Ltd - Western Australia
5 Skinner Lane
Kewdale 6105
Western Australia
Tel: 61-8-9204 8000
Fax: 61-8-9204 8080
Web: www.cse.net

CSE-Uniserve Pty Ltd - Victoria
CSE-Crosscom Pty Ltd
664 Lorimer Street
Port Melbourne
VIC 3207
Australia
Tel: 61-3-9245 1700 / 9322 1500
Fax: 61-3-9245 1750 / 9328 3737
Web:www.cseuniserve.net
Web: www.csecrosscom.net

GLOBAL PRESENCE

RCS Telecommunications - Gladstone Office
CSE-Crosscom Pty Ltd - Queensland
1/121 Hanson Road
Gladstone 4680
Queensland, Australia
Tel: 61-8-4972 8666
Fax: 61-8-4972 8555

CSE-Comsource Pty Ltd - Darwin Office
CSE Crosscom Pty Ltd
Comm8
434 Stuart Highway
Winnellie 0821
Northern Territory Australia
Tel: 61-8-8947 2400
Fax: 61-8-8947 2411
Web: www.csecrosscom.net

CSE Crosscom Pty Ltd - South Australia
10 Wirriga Street
Regency Park
South Australia 5010
Tel: 61-8-8273 9555
Web: www.csecrosscom.net

CSE-Crosscom Pty Ltd - Tasmania
47-49 McKenzie Street
Mowbray, TAS 7248
Australia
Tel: 61-3-6323 8800
Web: www.csecrosscom.net

General Communications Pty Ltd
180 Hannell St,
Wickham NSW 2293
Australia
Tel: 02 4920 3333
Email: admin@gencom.com.au
Web: www.gencom.com.au

Hunter Valley branch
15 Enterprise Cres,
Singleton NSW 2330
Australia
Tel: 02 6571 3800

Sydney branch
1/42 Canterbury Rd,
Bankstown, NSW 2200
Australia
Tel: 02 9790 6305

Logic Wireless Limited
Address Unit 1, 150 Cavendish Road,
Casebrook, Christchurch 8051
Tel: +64 03 384 6010
Web: www.logicwireless.com.au

Logic Wireless Pty Ltd
Address Unit 2, 2 Wills Street, North Lakes, QLD 4509
Tel: 1800 993 873
Web: www.logicwireless.com.au

TL Parker Limited
Parker Communication Limited
Orion NZ Radio Group Limited
36 Sheffield Crescent Burnside
Christchurch 8053
New Zealand
Tel: +64 3 358 8082
Web: www.tlparker.co.nz

Linked Group Services Pty Ltd
Linked Constructions Pty Ltd
174, Maggiolo Drive,
Paget, QLD 4740
Tel: 07 4998 5300
Web: www.linked.net.au

EUROPE/MIDDLE EAST & AFRICA

CSE Crosscom Limited
1 Guards Avenue,
The Village, Caterham-on-the-Hill,
Surrey CR3 5XL,
Tel: +44 (0) 20 7183 4391
Web: www.csecrosscom.co.uk

Zycomm Electronics Ltd
51 Nottingham Road
Ripley DE5 3AS
Tel: +44 (0) 17 7357 0123
Web: www.zycomm.co.uk

Radiotek Limited
Unit 8 Silver End Business Park, Brettell Lane
Brierley Hill
West Midlands DY5 3LG
Tel: +44 (0) 13 8426 2100
Web: www.radiotek.co.uk

DTS.Solutions (U.K.) Ltd.
Barham House, Generation Business Park, Barford Rd,
Saint Neots
PE19 6YQ United Kingdowm
Tel: +44 (0)14 8040 7740
Web: www.dts.solutions

Logic Wireless Europe Limited
Address Unit 17 Basepoint Business Centre, Claxton Close, East Portway Business Park, Andover, Hampshire, SP10 3FG
Tel: 0800 888 6754
Web: www.logicwireless.co.uk

UNITED STATES

W-Industries of Texas – Thora Lane
CSE W-Industries, Inc
CSE Americas Inc
8303 Thora Lane
Spring, Texas 77379
USA
Tel: 1-713-466 7696 and
1-713-466-9463
Web: www.w-industries.com

CSE W-Industries, Inc
9949 W Sam Houston PWK N.
Houston, Texas 77064
USA
Web: www.w-industries.com

W-Industries of Texas – Charles Road
11500 Charles Rd
Jersey Village, TX 77041
USA
Tel: 713-466-9463
Web: www.w-industries.com

Volta LLC
1616 Gears Rd.
Houston, TX 77067 , USA
Tel: 832-369 2420
Fax: 832-415 0356
Web: www.w-industries.com

36422 Hempstead Road
Hockley, TX 77083
USA
Web: www.w-industries.com

19202 Kickapoo Rd.
Waller, TX 77484
USA
Web: www.w-industries.com

CSE ICON, Inc
Texas Office:
2829 Technology Forest Blvd.
Suite 460
The Woodlands ,Texas 77381, USA
Tel: 1-281-6701 010
Web: www.cse-icon.com

Louisiana Office:
100 Central street Suite 100
Lafayette, LA 70501, USA
Tel: 1-337-419 2799
Web: www.cse-icon.com

W-Industries of Louisiana, LLC
303 Machine Loop, P.O Box 385
Scott, LA 70583
USA
Tel: 1-337-993-7425
Web: www.w-industries.com

Gulf Coast Power & Control of Louisiana, LLC
109 N. Cities Service Highway
Sulphur, LA 70663
USA
Tel: 1-337-625-8333
Fax : 1-337-625-6444

EPIC Automation LLC
EPIC Engineering LLC
3184 Hwy 69N. Access Rd
Nederland, TX 77627
USA
Tel: 713-466-7696

W-Industries of Louisiana, LLC - Alabama
148 A Street
Jackson, AL 36545
USA
Tel: 251-288-7349
Web: www.w-industries.com

CSE-Hankin Inc.
CSE Crosscom USA Inc
One Harvard Way, Suite 6,
Hillsborough, New Jersey
08844 USA
Tel: 1-908-7229 595
Fax: 1-908-7229 514
Web: www.hankines.com

W-Industries of Louisiana LLC - New Mexico
2804 San Jose Blvd
Carlsbad, NM 88220
USA
Tel: 575-236 4115
Web: www.w-industries.com

Communications Service Co. of Daytona, Inc
140 S.Beach Street Suite 310
Daytona Beach, FL 32114
USA

Radio One, Inc
4319 35th Street
Orlando, Florida 32811
USA
Tel: 407-352-9242
Web: www.radio1inc.com

1700 N.Dixie Hwy, Suite 125
Boca Raton, FL 33432
USA
Tel: 800-771-91915

140 S.Beach Street Suite 310
Daytona Beach, FL 32114
USA
Tel: 386-322-9919

RFC Wireless, Inc
Fremont, California Office:
829 Corporate Way
Fremont, CA 94539
USA
Tel: (510) 462-2500
Web: www.rfcwireless.com

Rocklin, California Office:
5701 Lonetree Blvd, Suite 203-J,
Rocklin, CA 95765, USA
Tel: (916) 623-4848
Web: www.rfcwireless.com

Converge Resources
702 University Dr E Suite F-102
College Station, TX 77840
USA
Tel: 1-281-408-4070
Web: www.convergeresources.com

Carlton Strategic Staffing, Inc
Carlton Southwest Central Houston
10707 Corporate Drive, Suite 101
Stafford, Texas 77477, USA
Tel: 1-281-265-8900

Carlton Southeast Houston
12621 Featherwood, Suite 130 Houston,
Texas 77034, USA
Tel: 1-281-464-8800

Carlton Northwest & Woodlands
1000 N Post Oak Rd. Suite 220-023
Houston, TX 77055, USA
Tel: 1-713-329-9990
Web: www.carltonstaffing.com

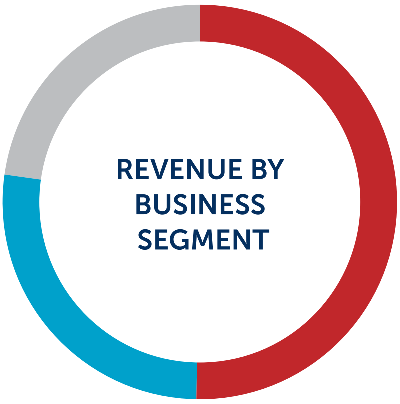
Industrias W de Mexico, S.A. de C.V.
Avenida del Mar No. 46
Col. Bibalvo
Cd. Del Carmen, Campeche, CP 24158
Mexico
Tel: 938-118 2631
Fax: 938-118 2914
Web: www.industriaswmexico.com

CSE W-Industries De Mexico, S. de R.L. de C.V.
Boulevard Miguel de Cervantes Saavedra
No. 169, Suite 15-114
Colonia Granada, Delegación Miguel
Hidalgo
Ciudad de México, 11520
México
Tel: 52-818-020-7306
Web: www.w-industries.com

CAPITALISING OPPORTUNITIES TO FURTHER SUSTAINABILITY

CSE Global is dedicated to fostering a sustainable future. We leverage megatrends including artificial intelligence, digitalisation and decarbonisation to deliver more solutions that contribute to the world's sustainability efforts, while incorporating sustainable practices into our operations.

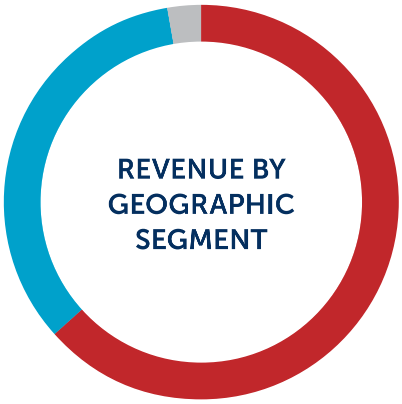
FINANCIAL HIGHLIGHTS



Automation
22.6%
$194.4M

Communications
26.9%
$232.0M

Electrification
50.5%
$434.8M



Europe/
Middle East/Africa
2.6%
$22.2M

Asia Pacific
34.0%
$292.6M

Americas
63.4%
$546.3M

REVENUE
$861.2M
2023: $725.1M
+18.8%

NET PROFIT*
$36.8M
2023: $22.5M
+63.2%

EARNINGS PER SHARE
3.91¢
2023: 3.66¢
+6.8%

CASH FLOW FROM OPERATING ACTIVITIES
$33.1M
2023: $55.9M
-40.8%

DIVIDEND PER SHARE
2.40¢
2023: 2.75¢
-12.7%

RETURN ON EQUITY
10.3%
2023: 10.4%
-0.1p.p

EBITDA*
$82.2M
2023: $63.6M
+29.1%

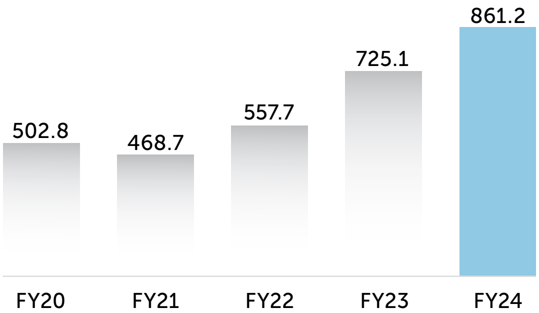
ORDER INTAKE
$800.7M
2023: $990.2M
-19.1%

ORDER BOOK
$672.6M
2023: $730.6M
-7.9%

* Excluding exceptional item of US$8.0 million arbitration settlement (S$10.4 million)

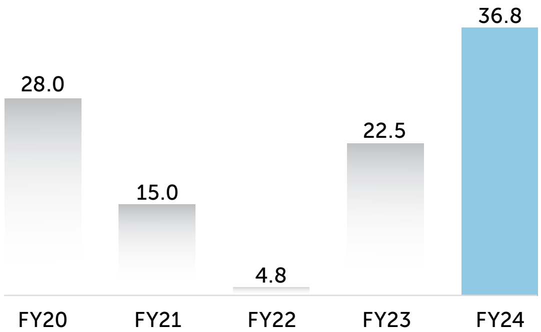
REVENUE
(S$'Million)

$861.2M



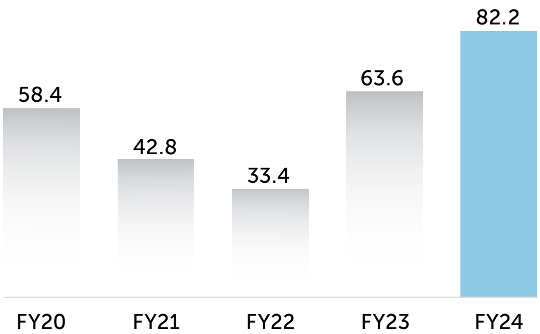
PROFIT ATTRIBUTABLE TO SHAREHOLDERS*
(S$'Million)

$36.8M



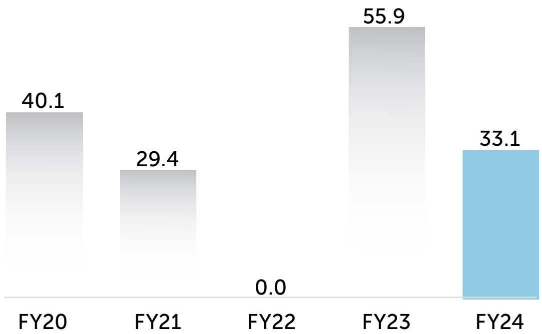
EBITDA*
(S$'Million)

$82.2M



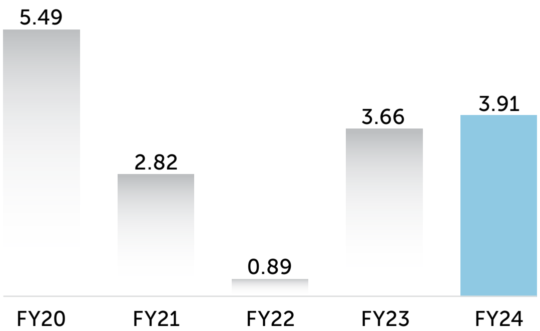
CASH GENERATED FROM OPERATING ACTIVITIES
(S$'Million)

$33.1M



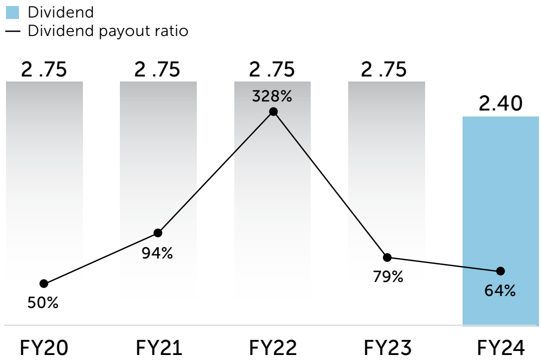
EARNINGS PER SHARE**
(Cents)

3.91¢



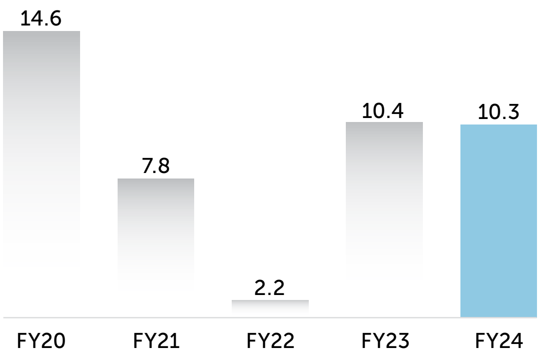
DIVIDEND PER SHARE
(Cents)

2.40¢



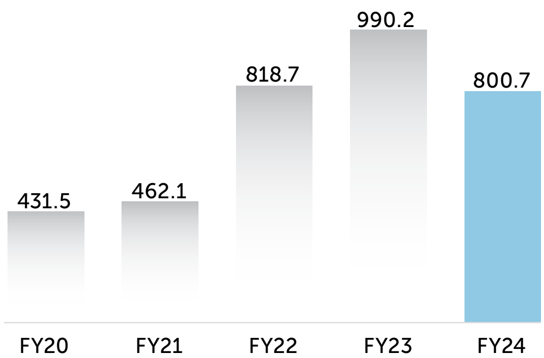
RETURN ON EQUITY
(%)

10.3%



ORDER INTAKE
(S$'Million)

$800.7M



* Excluding exceptional item of US$8.0 million arbitration settlement (S$10.4 million)

** Earnings per share for FY21 have been restated by applying a bonus factor for the right issues, in accordance with SFRS(I)1-33 Earnings per share. Earnings per share for FY20 was not restated.

OPERATIONS AND FINANCIAL OVERVIEW

S$'000	2024	2023	Change 2024 %
Revenue	861,173	725,051	18.8%
Gross profit	241,159	199,864	20.7%
Operating expenses	186,953	161,502	15.8%
Operating profit	54,206	38,362	41.3%
Earnings before interest, tax, depreciation and amortisation (EBITDA)*	82,182	63,636	29.1%
Net profit attributable to equity owners of the Company*	36,759	22,527	63.2%
Net profit attributable to equity owners of the Company, after exceptional item	26,345	22,527	16.9%
Gross profit margin	28.0%	27.6%	0.4p.p
Operating profit margin	6.3%	5.3%	1.0p.p
EBITDA margin*	9.5%	8.8%	0.7p.p
Net profit margin*	4.3%	3.1%	1.2p.p
Total assets	632,631	598,368	5.7%
Cash and bank balances	57,401	39,426	45.6%
Loans and borrowings	129,474	115,427	12.2%
Net (debt)/cash	(72,073)	(76,001)	-5.2%
Shareholders' funds	255,989	216,145	18.4%
Return on equity	10.3%	10.4%	-0.1p.p
Earnings per share (cents)	3.91	3.66	6.8%
Net assets value per share (cents)	36.24	35.15	3.1%
Cash generated from operating activities	33,099	55,895	-40.8%
Order intake	800,713	990,234	-19.1%
Order book	672,587	730,597	-7.9%

S$'000		Revenue			EBITDA*	
Business Segment	**2024**	**2023**	**Variance %**	**2024**	**2023**	**Variance %**
Electrification	434,778	334,548	30.0%	42,724	29,662	44.0%
Communications	232,036	220,532	5.2%	25,649	27,816	-7.8%
Automation	194,359	169,971	14.3%	13,809	6,158	124.2%
Total	**861,173**	**725,051**	**18.8%**	**82,182**	**63,636**	**29.1%**
Geographic Segment	**2024**	**2023**	**Variance %**	**2024**	**2023**	**Variance %**
Americas	546,337	434,630	25.7%	38,990	19,299	102.0%
Asia Pacific	292,637	268,897	8.8%	40,030	40,940	-2.2%
Europe/Middle East Africa	22,199	21,524	3.1%	3,162	3,397	-6.9%
Total	**861,173**	**725,051**	**18.8%**	**82,182**	**63,636**	**29.1%**

* Excluding exceptional item of US$8.0 million arbitration settlement (S$10.4 million)

TURNOVER

In FY2024, revenue grew 18.8% year-on-year to S$861.2 million from S$725.1 million in the previous corresponding period ("FY2023"), mainly driven by the Electrification and Automation business segments. The Electrification business segment continues to lead the growth in revenue, growing 30.0% or S$100.2 million year-on-year to S$434.8 million in FY2024. This was mainly attributed to growth in the data centre, power, utility, and energy storage markets fuelled by rising demand for power distribution and electrical control systems in the USA and Australia/New Zealand region.

The Automation business segment posted a revenue growth of 14.3% year-on-year or S$24.4 million, mainly attributed to higher revenue contributions from the Americas and Asia Pacific regions.

EARNINGS

In line with higher revenue, Group's gross profit increased by S$41.3 million or 20.7% year-on-year to S$241.2 million. Group's gross margin remained relatively stable at 28.0%, compared to 27.6% in FY2023.

The Group's operating expenses for FY2024 rose by 15.8% or S$25.5 million to S$187.0 million, mainly due to higher personnel costs of S$12.9 million, higher depreciation expenses of S$3.8 million, and increased professional fees and computer expenses of S$1.5 million.

Despite the increase in operating expenses, the Group's operating profit and EBITDA in FY2024 grew significantly by 41.3% and 29.1% year-on-year respectively, driven by improved operating leverage with growth in revenue. Interest expenses were 15.9% lower year-on-year, decreasing from S$10.7 million in FY2023 to S$9.0 million in FY2024, due to improvement in working capital management.

As a result, the Group's net profit for FY2024 increased by 63.2% to S$36.8 million from S$22.5 million in FY2023. The net profit margin increased by 1.2 percentage point ("pp"), from 3.1% to 4.3%.

Including the exceptional item of US$8.0 million (S$10.4 million) arising from the arbitration settlement, the Group's net profit after exceptional item in FY2024 grew by 16.9% to S$26.3 million.

PERFORMANCE OF BUSINESS SEGMENTS

On the back of the electrification megatrend, the Electrification business segment is the largest revenue contributor, contributing 50.5% of revenue. This is followed by the Communications business segment and Automation business segment that contributed 26.9% and 22.6% of revenue respectively. The acquisition of Carlton Staffing, RFC and Linked Group Services during the year have also contributed to revenue.

Electrification revenue improved by 30.0% in FY2024 to S$434.8 million, mainly attributed to significant contributions from major contracts secured in FY2023 and new projects secured in FY2024. The segment's EBITDA grew by 44.0%, rising from S$29.7 million in FY2023 to S$42.7 million in FY2024. This increase was due to higher revenue achieved with stable gross margins and hence, the EBITDA margin improved from 8.9% in FY2023 to 9.8% in FY2024.

The Communications segment saw a modest revenue growth of 5.2%, increasing from S$220.5 million in FY2023 to S$232.0 million in FY2024. This growth was mainly driven by revenue contributions from newly acquired subsidiaries, which added S$7.2 million. Despite the revenue growth, the segment's EBITDA decreased by 7.8% from S$27.8 million in FY2023 to S$25.6 million in FY2024. This decline was due to an unfavourable sales mix at lower gross margins for International Communications businesses.

The Automation segment experienced revenue growth of 14.3%, increasing from S$170.0 million in FY2023 to S$194.4 million in FY2024. This growth was mainly due to higher revenue contributions from the Americas and Asia Pacific regions. The segment's EBITDA improved significantly, increasing from S$6.2 million in FY2023 to S$13.8 million in FY2024. This improvement was mainly attributed to a favourable sales mix at higher gross margins and the absence of cost overruns incurred for some projects in FY2023. Hence, the EBITDA margin increased by 3.5 pp, from 3.6% in FY2023 to 7.1% in FY2024.

CASH FLOW AND LIQUIDITY

For FY2024, CSE Global generated strong cash inflow from operating activities of S$33.1 million, due to improved working capital management and cash conversion cycle improved to 50 days. The Group's net debt position was S$72.1 million as at end of December 2024, as compared to S$76.0 million as at end of December 2023. Net gearing ratio remained low at 0.28x on an aggregate basis, with adequate headroom for working capital requirements.

ORDER INTAKE

Order intake in FY2024 decreased by 19.1% to S$800.7 million as compared to S$990.2 million in FY2023 mainly attributed to the absence of several major electrification projects secured in FY2023. Excluding the effect of these one-off major contracts secured in FY2024 and FY2023, the Group's order intake for FY2024 was 8.2% lower year-on-year. However, the order book remained robust at S$672.6 million as at 31 December 2024, supported by consistent demand for Electrification, Communications and Automation solutions.

In FY2024, the Electrification business segment secured about S$383.8 million new orders, which represented about 47.9% of total order intake. In FY2024, the order intake for Electrification business segment was 31.6% lower year-on-year, mainly attributed to the absence of several major electrification projects secured in FY2023. However, demand for Electrification solutions remained robust given the strong pipeline of electrification projects. Notable contracts secured during the year include major electrification projects in the United States of America ("USA") for the design, fabrication and installation of electrical houses, integration of complex electrical and control systems and equipment in the USA, which are slated for execution between 2025 and 2026.

The Communications business segment contributed about 28.8% of FY2024 total order intake, securing S$230.7 million of new orders in FY2024 as compared to S$247.7 million of new orders in FY2023 which included one-off major contract relating to the supply, installation, integration and maintenance of communication and security systems for the Singapore Government.

About S$186.2 million of new orders were secured by the Group's Automation business segment in FY2024, compared to S$181.5 million in FY2023 which included one-off major contracts of S$28.9 million related to a environmental systems and equipment in the USA and multi-year maintenance contract renewal in the Asia Pacific region. Excluding the effect of these one-off major contracts, the Automation business segment's FY2024 new order grew 22.0% year-on-year.

S$'000	FY2024	FY2023	Variance %
Electrification	383,788	561,053	-31.6%
Communications	230,701	247,711	-6.9%
Automation	186,224	181,470	2.6%
Total	**800,713**	**990,234**	**-19.1%**

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE, ETHICS AND COMPLIANCE

The Board of Directors is committed to maintaining a high standard of corporate governance within the Group. Good corporate governance establishes and maintains a legal and ethical environment in the Group, which strives to preserve the interests of all stakeholders and to promote investors' confidence in the Group.

This report sets out the Company's corporate governance practices for the financial year ended 31 December 2024, with specific reference to the Code of Corporate Governance 2018 issued by the Monetary Authority of Singapore (the "MAS") on 6 August 2018 (the "2018 CG Code"). Where the Company's practices differ from the principles and guidelines under the 2018 CG Code, the Company's position and reasons in respect of the same are explained in this report.

The Board's Conduct of its Affairs
Principle 1

The Board plays an important role to oversee the Group's business affairs and to provide entrepreneurial leadership to the Company.

Board Approval

This includes the approval of the Group's strategic plans, key business initiatives, financial objectives, major investments and funding decisions, the review of the Group's financial performance, the evaluation of the performance of the management and the Group, the establishment of a prudent and effective controls framework, the values and standards of the Company and the fulfilment of obligations to the shareholders.

The Company has adopted internal guidelines setting forth matters that require the Board's approval. In that aspect, the Board has delegated to the management of the Company the authority to approve transactions in the ordinary course of business as specified in the following table. Any transactions falling outside the scope as specified in the following table would then have to be approved by the Board:

Nature of transactions	Quantum of transactions
Capital expenditure (budgeted)	Any amount more than S$3 million
Capital expenditure (unbudgeted)	Any amount
Mergers, acquisitions and divestments	Any amount more than S$10 million

The Directors ensure the decisions made by them are objectively in the interest of the Company. The Board has also examined the relationships or circumstances under which the Directors are involved and has confirmed that no such relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgment. The Board has put in place requirements that all Directors should disclose to the Board as and when any such relationship or circumstance arises. In the event of conflict of interest arising in respect of a matter under consideration by the Board, the Director concerned shall comply with disclosure obligations and shall recuse himself from participating in the Board's deliberation and decision on the matter.

Board and Board Committees

The Board is supported by three board committees namely: (1) Audit and Risk Committee ("ARC"); (2) Nominating Committee ("NC"); and (3) Remuneration Committee (renamed from Compensation Committee on 8 August 2024) ("RC"). The Investment Committee ("IC") was dissolved on 29 April 2024. The duties, authorities and accountabilities of each committee are set out in their respective written terms of reference. While these Board Committees have the authority to examine particular issues in their respective areas, the Board Committees report to the Board with their decisions and recommendations as the ultimate responsibility on all matters lies with the entire Board. Further information on the roles and responsibilities as well as a summary of the activities of each of the ARC, NC, and RC are set out in the Principles throughout this Corporate Governance Report.

The Company is not required under the SGX-ST Listing Rules to perform quarterly reporting, which came into effect on 7 February 2020. Notwithstanding this, the Board continues to conduct regularly scheduled meetings for the first and third quarters of the financial year to receive key financial, business and operational updates, in addition to the half-yearly meetings which coincide with the announcement of the Group's half-year and full-year results respectively.

Ad-hoc meetings may also be convened as and when warranted by particular circumstances, as deemed appropriate by the Board. The Company has provided for telephonic and videoconference meetings in its Constitution. Annually, the Company will have an offsite planning meeting for the Directors and key executives to come together to discuss the key business growth and the growth plans going forward. In 2024, the Board had one strategy meeting with key executives.

The Directors' attendance at Board, Board Committee and General Meetings during the financial year ended 31 December 2024 ("FY2024") are set out as follows:

	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee	Investment Committee	General Meeting
No. of meetings held during the financial year ended 31 December 2024	7	4	1	1	1	1
No. of meetings attended						
Tan Teck Koon[2]	7	3	–	–	–	1
Lim Boon Kheng	7	4 [1]	1 [1]	1 [1]	1	1
Lee Kong Ting	7	4	–	–	1	1
Tan Chian Khong	6	4	1	–	–	1
Ng Shin Ein	7	4	–	–	–	1
Wong Su Yen	7	–	–	1	–	1
Derek Lau Tiong Seng	6	–	1	1	–	–
Tang Wai Loong Kenneth[3]	5	3	–	–	–	–
Lim Ming Seong[4]	2	_	1	1	1	1
Sin Boon Ann[5]	2	–	1	1	–	1

Note:

1 Attendance by invitation

2 Mr Tan Teck Koon relinquished his role as a member of Audit and Risk Committee ("ARC") on 8 August 2024 and subsequently attended the ARC meeting as observer

3 Mr Tang Wai Loong Kenneth was appointed as Non-Executive Independent Director after the conclusion of the Annual General Meeting held on 29 April 2024

4 Mr Lim Ming Seong retired as Non-Executive Independent Director on 29 April 2024

5 Mr Sin Boon Ann retired as Non-Executive Independent Director on 29 April 2024

Directors' Induction, Training and Development

The Company has in place general induction-training programmes to ensure that every newly appointed Director of the Company is familiar with the Group's structure, the Group's business and its operations, the Company's governance practices and relevant statutory and regulatory compliance issues. Every newly appointed Director of the Company is expected to undergo an induction programme which includes meetings with the Chairman, Managing Director and Group Chief Financial Officer as part of the training in the affairs of the business.

For new Directors who do not have prior experience as a director of a public listed company in Singapore, they must undergo the mandatory training courses as prescribed by Singapore Exchange Securities Trading Limited.

The Company will issue a formal appointment letter, which sets out the director's duties and obligations, to each director upon appointment. A formal letter was issued to Mr Tang Wai Loong, Kenneth who was appointed on 29 April 2024.

To ensure that Directors have the opportunities to develop their skills and knowledge and to continually improve performance of the Board, all Directors are encouraged by the Company to undergo continual professional development at the Company's expense, during the term of their appointment. Our Directors are also encouraged to be members of the Singapore Institute of Directors ("SID") and to receive updates and training from SID in order to stay abreast of relevant developments in financial, legal and regulatory requirements.

Our Directors are regularly updated on the Group's businesses and the regulatory and industry-specific environments in which the entities of the Group operate. Updates on relevant legal, regulatory and technical developments and good corporate governance may be in writing or disseminated by way of briefings, presentations and/or handouts.

During the financial year:

a) The external auditor, Ernst & Young LLP briefed the ARC on changes in accounting standards that affects the Group;

b) The Chief Executive Officer regularly updates the Board on the business activities and strategies of the Group during Board meetings. Such update would also include any significant developments, issues or risks affecting the Group;

c) The Board and Senior Management also held business planning meetings to have a more in-depth discussion on the strategic issues and direction of the Group; and

d) Some of the Directors also conducted site visits to the overseas subsidiaries to understand the operations as well as interaction with the senior management in the overseas subsidiaries.

Access to Information

The management of the Company has an on-going obligation to supply the Board with complete, adequate and relevant information in a timely manner. In addition, the Board has separate and independent access to the Company's management in respect of obtaining information, as reliance purely on what is volunteered by the management of the Company may not be adequate in certain circumstances and further enquiries may be required for the Board to fulfil its duties properly.

The information that is provided by the management of the Company to the Board includes background or explanatory information relating to matters to be brought before the Board, copies of disclosure documents, budgets, forecasts and internal financial statements. In addition, in respect of budgets, any material variances between the projections and actual results are also disclosed and explained.

As a general rule, board papers are sent to Board members at least 3 working days before the board meeting to afford the Directors with sufficient time to review the board papers prior to the meetings.

Directors have separate and independent access to the senior management, company secretary and external advisers (where necessary) at the Company's expenses. The role of the Company Secretary is clearly defined and includes the responsibility for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary (or his authorised nominee) attends all Board and ARC meetings. Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and the ARC and between senior management and Non-Executive Directors, as well as facilitating orientation and assisting with professional development as required. The appointment or the removal of the Company Secretary is subject to the Board's approval.

In addition to the above, the Board has procedures for Directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense.

Board Composition and Guidance
Principle 2

The members of the Board of Directors at the date of this report comprise the following Directors:-

Non-Executive Independent Directors:

Tan Chian Khong
Dr Lee Kong Ting
Ng Shin Ein
Wong Su Yen
Tang Wai Loong Kenneth

Non-Executive Non-Independent Directors:

Tan Teck Koon - Chairman
Derek Lau Tiong Seng

Executive Director:

Lim Boon Kheng – Group Managing Director/ Chief Executive Officer

As at the date of this report, the Board comprises eight Directors of whom five are Non-Executive Independent Directors. Accordingly, a majority of the Board is made up of Independent Directors who are free of any material business or financial connection with the Company. The Board has an appropriate level of independence and diversity of thought which is appropriate for the nature and scope of the Group's current operations. The Board is already made up of majority non-executive independent Directors, serves to reinforce management accountability. Matters requiring the Board's approval are discussed robustly with participation from each member of the Board and decisions are made collectively without any individual or select group of individuals dominating the decision-making process. Directors are required to take the necessary actions to resolve any conflict of interest they might have, including recusing themselves from meetings or discussions or abstaining from voting on matters in which they are interested or conflicted. There is no alternate director appointed during the year.

Board Independence

The Board, through the NC, assessed the independence of each Board member taking into consideration of Provision 2.1 of the 2018 CG Code and Rule 210 (5)(d)(i), (ii) and (iv) of the Listing Manual of the SGX-ST (the "Listing Rules") and the individual Director's declaration. As at the date of this report, there are no independent directors who had served a continuous period of more than nine years.

Based on the declarations of independence which are submitted by each of the Independent Directors annually and reviewed by the NC, none of the independent Directors has any relationship with the Company, its related corporations, its substantial shareholders or the officers of the Company that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. In particular, none of the independent Directors is or has been employed by the Company or any of its related corporations in the current or any of the past three financial years or has an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the Remuneration Committee of the Company.

Mr Tan Teck Koon is an advisor of Heliconia, who is a substantial shareholder of the Company, in the capacity as an Operating Partner and thus the NC and Board has deemed him as non-independent. Mr Tan was appointed as Acting Board Chairman on 29 April 2024 and re-designated from Acting Board Chairman to Board Chairman on 8 August 2024.

Mr Derek Lau Tiong Seng is nominated by Heliconia Capital Management Pte. Ltd. ("Heliconia"), a substantial shareholder of the Company. Therefore, the NC and Board has deemed him as non-independent.

Mr Tan Chian Khong, Non-Executive Independent Director, was appointed as Acting Lead Independent Director on 29 April 2024 and re-designated from Acting Lead Independent Director to Lead Independent Director on 8 August 2024.

As the Chief Executive Officer of the Company, Mr Lim Boon Kheng is considered non-independent by virtue of his employment with the Company.

Each member of the NC and the Board recused himself from the NC's and the Board's deliberations respectively on his own independence.

The Independent Directors make up a majority of the Board even though the Chairman of the Board is not independent.

Board Diversity

The Board has a Board Diversity Policy which sets out the approach to diversity of the Board. The Board Diversity Policy recognises that a diverse Board would be beneficial to the Company as it would allow for the harnessing of a variety of skills, industry and business experiences, gender, independence and other distinguishing qualities of members of the Board. The Company is committed to implementing the Board Diversity Policy for any board composition changes and the Board is of the view that any new appointments would provide further diversity to core competencies and skill sets of the Board.

In terms of gender diversity, the Board currently comprises of two female directors. The NC noted the recommendation of the Council for Board Diversity for listed companies to have 25% female representation on their boards by 2025 and 30% by 2030. With Ms Ng Shin Ein and Ms Wong Su Yen on the Board currently, the Company has 25% female representation on the Board.

In this regard, the NC aims to ensure that:

(a) The Board would have 30% female representation by 2030; and

(b) When seeking to identify a new Director for appointment to the Board, the NC will request female candidates to be fielded for consideration.

REPORT ON CORPORATE GOVERNANCE

The Board has Directors with ages ranging from the 50s to 70s, who have served on the Board for different tenures, with 62% of the Board being independent. The current average age of the Board is 61 and the Company targets to reduce the average age of directors to between 55 to 60 by 2025, and between 50 to 55 by 2028. The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Group's business and direction. Further information on the individual Directors' background, experience and skills can be found in the 'Board of Directors' section in this Annual Report.

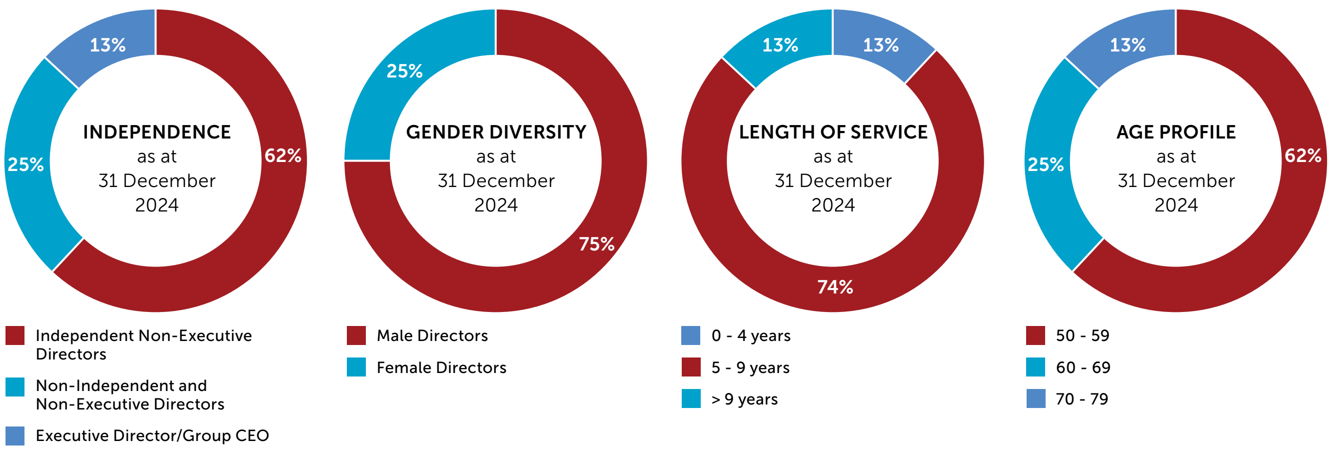
The NC is responsible for setting the relevant objectives that promote and achieve diversity on the Board. When reviewing and assessing the composition of the Board and making recommendations to the Board for the appointment of Directors, the NC will consider all aspects of diversity in order to arrive at an optimum balanced composition of the Board. In order to maintain or enhance its balance and diversity, the Board, with the assistance of the NC, would continue to take the following steps:

- annual review by the NC to assess if the existing attributions and core competencies of the Board are complementary to the Group's risk profile, business operations and future business strategies in order to enhance the efficacy of the Board; and

- annual evaluation by the Directors of the skill sets that the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.

The Board and NC would consider the results of these exercises in its recommendation for the appointment of new Directors and/ or the re-appointment of incumbent Directors.

When reviewing candidates for future Board appointment, the NC will be considering candidates from other disciplines such as information technology and digital transformation and with relevant industry sector experiences, in order to provide more diverse viewpoints and introduce additional skill sets to the Board.



During the year, a review of the size and composition of the Board (and Board Committees) was also undertaken by the Company to ensure alignment with the needs of the Group and the objectives set out in the Board Diversity Policy. The Board is of the view that there is sufficient diversity in skills, experience, knowledge, age and gender in its current Board composition to maximise effectiveness after taking into account the scope and nature of the operations of the Group and is satisfied that the objectives set out in the Board Diversity Policy have been met.

Board Guidance

The Non-Executive Directors contribute to the board process by monitoring and reviewing Management's performance. For the financial year under review, the Non-Executive, Independent and Non-Independent Directors have constructively challenged Management's proposals and decisions and reviewed Management's performance. They have unrestricted access to Management for any information that they may require to discharge their oversight function effectively. As Non-Executive Independent Directors constitute a majority of the Board, objectivity on Board's deliberations is assured.

The responsibilities of the Non-Executive Directors include:

- assisting the Board to develop proposals on strategy, constructively challenging it when necessary; and
- reviewing and monitoring the performance of the management in meeting the goals and objectives committed.

Besides the above, the Non-Executive Directors' responsibilities include other duties as required in their capacity as members of the ARC, NC and RC.

Meeting of Directors without Management

The Non-Executive Directors (including Independent Directors) would meet without the presence of the Management and Executive Directors at each Board meeting. The Chairman of the Board who is also Non-Executive Director would feedback to the CEO on any concerns or feedback raised by Non-Executive Directors during such meeting.

Chairman and Chief Executive Officer
Principle 3

The Company has a separate Chairman and Chief Executive Officer to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. In addition, the Chairman and the Chief Executive Officer are not related to each other. The Board has set out in writing the division of responsibilities between the Chairman and CEO.

The Chairman, Mr Tan Teck Koon, is a Non-Executive Non-Independent Director who is independent of the management of the Company and his responsibilities pertaining to the Board includes but are not limited to:

(a) leading the Board in a strategic effective and decisive way;

(b) Setting the agenda and ensuring (with the assistance of the Company Secretary) that adequate time is available to discuss all agenda items, in particular, strategic issues;

(c) promoting a culture of openness and debate within the Board;

(d) ensuring (with the assistance of Management and Company Secretary) that the directors receive complete, adequate and timely information;

(e) ensuring effective communication with the shareholders and other stakeholders;

(f) encouraging constructive relationships within the Board and between the Board and Management;

(g) ensuring Non-Executive Directors contribute effectively and that their contribution are taken into account by the Board; and

(h) promoting high standards of corporate governance.

The Chairman's responsibilities pertaining to the Board also includes those other duties as required in his capacity as a member of the RC and observer in the ARC.

The Chief Executive Officer, Mr Lim Boon Kheng, has full executive responsibilities over business direction and operational decisions concerning the Group. He works closely with the Board to implement the policies set by the Board.

The clear separation of roles of the Chairman and Chief Executive Officer provides a healthy professional relationship between the Board and Management with clarity of roles and robust deliberations on the business activities of the Group.

Given that the roles of the Chairman and Chief Executive Officer are separate but the Chairman is non-independent, Mr Tan Chian Khong has been appointed as Lead Independent Director on 8 August 2024.

Board Membership
Principle 4

The members of the NC at the date of this report comprise the following Directors:-

Mr Tan Chian Khong – Chairman
Ms Wong Su Yen
Mr Derek Lau Tiong Seng

The majority of the NC, including the NC Chairman, is independent. The NC met once during the financial year under review.

The NC is regulated by a set of written terms of reference and has been updated to be in line with the 2018 CG Code. The primary function of the NC is to provide assistance to the Board in reviewing the composition of the Board and Board committees annually, taking into account the performance and contribution of each individual director. Board composition is also evaluated to ensure that diversity of skills, core competencies, knowledge, professional experience, educational background, gender, age and length of service as prescribed under the Board Diversity Policy is maintained within the Board and Board committees.

The responsibilities of the NC include:

(a) Reviewing succession plans for Directors, in particular, the Chairman, the CEO and key management personnel;

(b) Evaluating the performance of the Board, its Board Committees and Individual Director and proposing objective performance criteria for Board's approval;

(c) Determining annually if a Director is independent pursuant to the guidelines set forth in the 2018 CG Code and Listing Rules;

(d) Evaluating if a Director is able to and has been adequately carrying out his or her duties as a Director when the Director concerned holds multiple board representations; and

(e) Reviewing training and professional development programmes for the Board.

The Company's Constitution provides for all Directors, including the CEO of the Company to retire by rotation at least once every three years. The Directors, who are eligible for re-election, may submit themselves for re-election at the AGM.

The Directors who are retiring at the forthcoming AGM are as follows:

Under Regulation 91

Mr Tan Chian Khong (last re-elected on 20 April 2022)
Dr Lee Kong Ting (last re-elected on 20 April 2022)
Mr Derek Lau Tiong Seng (last re-elected on 20 April 2023)

Under Regulation 97

Mr Tang Wai Loong Kenneth (first appointed on 29 April 2024)

After assessing the performance and contribution of the retiring Directors, the NC has recommended the re-election of Mr Tan Chian Khong who is retiring pursuant to Regulation 91 of the Company's Constitution, and Mr Tang Wai Loong Kenneth who is retiring pursuant to Regulation 97 of the Company's Constitution to be re-elected as Directors of the Company at the forthcoming AGM. Dr Lee Kong Ting who is retiring under Regulation 91, has served on the Board since 1 February 2017, will not be seeking for re-election at the forthcoming AGM. Dr Lee's retirement from the Board is in line with CSE's plans for board refreshment and renewal. Mr Derek Lau Tiong Seng, who is retiring under Regulation 91, will not be offering himself for re-election, as he has stepped down from Heliconia. The Board has accepted all the NC's recommendations.

The NC seeks to refresh the Board membership progressively and in an orderly manner, for long-term continuity and stability taking into account the nine-year rule as set out in the SGX-ST Listing Rule 210(5)(d)(iv) and board diversity in these appointments. As at the date of this report, there are no Independent Directors with a tenure of more than nine years.

Shareholders are provided with relevant information on the candidates for re-election on page 204 of this Annual Report.

Nomination and Selection of Directors

The NC is responsible for identifying and recommending to the Board new Board members, after considering the necessary and desirable competencies. Accordingly, in selecting potential new directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. In doing so, the NC will have regard to the results of the annual appraisal of the Board's performance. The NC may engage consultants to undertake research on, or assess candidates for new positions on the Board, or to engage such other independent experts as it considers necessary to carry out its duties and responsibilities. Recommendations for new Board members are put to the Board for its consideration.

When reviewing a nomination for a proposed Board appointment, the NC will look at the following criteria:

(a) determination of the candidate's independence;

(b) the qualifications and expertise required or expected of a new Board member taking into account the current Board size, structure, composition, diversity of skill competencies and gender, and progressive renewal of the Board;

(c) whether the candidate would be able to commit time to his appointment having regard to his other Board appointments and principal commitments; and

(d) prescribed factors under the Board Diversity Policy.

Review of Directors' Independence

The NC conducts an annual review of each director's independence and takes into consideration the relevant provisions in the 2018 CG Code and Listing Rules. The NC has ascertained that, save for Mr Derek Lau Tiong Seng, Mr Tan Teck Koon and Mr Lim Boon Kheng, all Directors are considered independent according to the criteria. Please refer to our disclosure under Principle 2 above on the determination of independence. Directors must also immediately report any changes in their external appointments which may affect their independence.

Directors' Time Commitment

The NC has adopted internal guidelines to address the conflict of competing time commitments that are faced by the Directors when the Directors have multiple board representations. With due respect to individual autonomy of each Director, no maximum number of listed company board representations a Director may hold is prescribed. However, each Director is required to disclose to the Board his board representation whenever there are changes to his directorship. If a Director is on the Board of other companies, the NC will consider whether adequate time and attention have been devoted to the Company. In the event that there are sufficient grounds for concern, the Chairman of the Board shall discuss, and if necessary, warn the Director of the issues and in any continuance, the consequences flowing from the situation.

In respect of the financial year under review, the NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his/her duties as director effectively. The NC is satisfied that all the Directors have been able to and had adequately carried out their duties as Directors of the Company for the financial year ended 31 December 2024 notwithstanding their multiple directorships where applicable and other principal commitments.

Director's listed company board directorships and principal commitments which may be found in the "Board of Directors" section in the Annual Report.

Key Information on Directors

The profile of the Directors and key information are set out under "Board of Directors" section in this Annual Report. Additional information on Directors seeking for re-election as required under Rule 720 (6) of the Listing Rules is also appended to the Notice of AGM.

Board Performance
Principle 5

Board Evaluation

The NC undertakes a process to assess the effectiveness of the Board and its Board Committees. Directors are requested to complete both the Board and Board Committees Evaluation Questionnaires to assess the overall effectiveness of the Board and the Board Committees. The NC has extracted salient recommendations from the 2018 CG Code and incorporated these recommendations into the Board and Board Committees Evaluation Questionnaires. On an annual basis, the Directors will complete both the Board and Board Committees Evaluation Questionnaires of which results are then collated by the Company Secretary in the form of a collective report. The reports will be discussed during the NC meeting to assess and further enhance the effectiveness of the Board and/or the Board Committees. The Board Chairman will act on the results of the performance evaluation and in consultation with the NC propose, where appropriate, new members to be appointed to the Board or seek the resignation of existing members.

The NC, having reviewed the performance of the Board in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the Board and the Board committees have operated efficiently, the Board has met its performance objectives and each Director has contributed to the overall effectiveness of the Board in the financial year under review.

Board Performance Criteria

In evaluating the performance of the Directors, the NC took into account, amongst other factors, the Directors' qualification by knowledge and experience to fulfil their duties, attendance and participation at Board meetings and Committee meetings (where applicable), quality of interventions or differences of opinion expressed and any other special contributions. The NC also considered whether the Directors have reasonable understanding of the Company's business and the industry, and the Directors' working relationship with the other members of the Board. These performance criteria shall not change from year to year, and where circumstances deem it necessary for any of the criteria to be changed, the NC and the Board shall justify its decision for the change.

As the NC will be measuring the Board's stewardship of the Company based principally on qualitative criteria, it is therefore not easy to show a direct correlation between the Board's actions taken as a whole and the Company's long-term performance. Therefore, the NC will not attempt to specifically quantify the Board's contribution to enhancing long term shareholders' value, for instance, by measuring it against the Company's share price performance over a five-year period vis-à-vis the Singapore Straits Times Index. As such, the Company's share price performance will not be used as a performance evaluation criterion of the Board. In addition, there are no specific benchmark indices of industry peers for comparison in respect of such quantitative performance criteria. In the absence of any appropriate and relevant benchmark indices, the benchmark indices of industry peers will also not be used as a performance evaluation criterion of the Board.

Individual Director Evaluation

Individual Director self-assessment is also conducted to provide performance feedback which can help individuals to evaluate their own skills and performance as directors and motivate them to more effective contributors. The Board is cognizant that individual director evaluations are an important complement to the evaluation of a board's overall performance and the results of the Individual Director self-assessment are also compiled by the Company Secretary and discussed by the NC.

The assessment of CEO's performance is undertaken by the Board and the results are reviewed by the NC and Board. Feedback is also provided to the CEO by the NC Chairman and the NC will also report the same to the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 6

The members of the RC at the date of this report comprise the following Directors: -

Ms Wong Su Yen – Chairman
Ms Ng Shin Ein
Mr Tan Teck Koon

The RC comprises a majority of independent directors including the RC Chairman. During FY2024, the RC held one meeting.

The Chairman of the RC, Ms Wong Su Yen, is an Independent Director, who is knowledgeable in the field of executive compensation. In addition, the RC has access to the relevant expert advice within the Company.

The RC is guided by its terms of reference which is in line with the 2018 CG Code and its responsibilities of the RC include:

(a) recommending to the Board the fee framework for Non-Executive Directors;

(b) recommending to the Board the framework of remuneration for CEO, and key management personnel (who are not Directors);

(c) determining and setting specific remuneration packages (such as annual increments, variable bonuses, long-term incentive awards and other incentive awards or benefits in kind) for each of CEO and key management personnel in accordance with the approved remuneration framework and ensuring that an appropriate proportion of their remuneration is structured so as to link rewards to corporate and individual performance;

(d) approving the total bonus pool for distribution to staff of all grades at each year end;

(e) administering share plan that may be established from time to time for the Directors and KMP;

(f) reviewing the remuneration packages of employees who are related to any Director, substantial shareholder or the CEO; and

(g) reviewing the Company's obligations to ensure that contracts of service of CEO and key management personnel contain fair and reasonable termination clauses.

Level and Mix of Remuneration
Disclosure of Remuneration
Principles 7 and 8

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry the Group operates in as well as companies within the same business segment as there are no exactly comparable companies. In addition, the RC will consider the Group's relative performance and the key management of the Group when setting the remuneration packages.

Non-Executive Director Remuneration

FY2024

For FY2024, the following Directors' Fees framework for determining the Directors' Fees is set out below:

Board and Committees	Retainer per annum	Attendance Fee Per Physical Meeting
a. Main Board		
- Chairman	S$40,000	S$2,000
- Lead Independent Director	S$35,000	S$2,000
- Member	S$30,000	S$2,000
b. Audit and Risk Committee		
- Chairman	S$25,000	S$2,000
- Member	S$12,000	S$2,000
c. Other Committees		
- Chairman	S$12,000	S$1,000
- Member	S$6,000	S$1,000
d. Annual Planning Meeting		S$2,000 per day

The following table shows the Directors' fees recommended by the Board for the financial year ended 31 December 2024 which will be tabled for shareholders' approval at the forthcoming AGM:

Name	Directors' Fee for financial year ended 31 December 2024 Proposed (S$'000)
Tan Teck Koon#	68
Tan Chian Khong+	91
Lee Kong Ting	69
Ng Shin Ein	70
Wong Su Yen	61
Derek Lau Tiong Seng	56
Tang Wai Loong Kenneth*	46
Lim Ming Seong^	32
Sin Boon Ann^	20
Total	**513**

Director Fee as Board Chairman was pro-rated from date of appointment to 31 December 2024.
+ Director Fee as Lead Independent Director was pro-rated from date of appointment to 31 December 2024.
* Director Fee pro-rated from date of appointment to 31 December 2024.
^ Director Fee pro-rated till date of cessation as director on 29 April 2024.

Financial Year Ending 31 December 2025

Subsequent to the financial year ended 31 December 2024, the Board, through the RC, commissioned Willis Tower Watson to review the Directors' Fees framework for the Non-Executive Directors to ensure that the Director remuneration is market benchmarked. Following the RC's recommendation and the Board's review, it is proposed that the revised Directors' Fees framework for determining Directors' Fees for the financial year ending 31 December 2025 is as follows:

Main Board	Chairman	S$76,500 per annum
	Lead Independent Director	S$60,000 per annum
	Director	S$50,000 per annum
Audit and Risk Committee	Chairman	S$33,000 per annum
	Member	S$20,000 per annum
Nominating Committee	Chairman	S$13,000 per annum
	Member	S$7,000 per annum
Remuneration Committee	Chairman	S$13,000 per annum
	Member	S$7,000 per annum

Commencing financial year ending 31 December 2025, the Board recommends for Directors' Fees to be paid quarterly in arrears. Accordingly, a sum of up to S$600,000 as a total pool for the Directors' Fees payable to Non-Executive Directors for the financial year ending 31 December 2025 was recommended by the Board for shareholders' approval at the forthcoming AGM.

The Director's fees are paid wholly in cash.

Executive Director Remuneration

The CEO, being the Executive Director, does not receive Directors' fees. The compensation of the CEO comprises performance-related elements, which form a significant proportion of his total remuneration package. These performance-related elements are designed to align the interests of the CEO with those of the shareholders such that the CEO's rewards are linked to the performance of the Group as well as his individual performance. There are appropriate and meaningful measures for the purpose of assessing the CEO's performance. There is no existing service contract between the Company and the Executive Director.

The following table shows the remuneration of the Executive Director (who is also the CEO) for the year ended 31 December 2024:

Name	Total remuneration (S$'000)	Salary (%)	Bonus (%)	Other Benefits & Provident Fund (%)	Share Based Compensation (%)
Lim Boon Kheng	2,737	27	26	5	42

The Group's remuneration policy is to be competitive within its industry and to offer fair and reasonable remuneration packages that are commensurate with competence, level of responsibility, performance and contributions to the Group. Based on this broad principle, the RC has the responsibility and discretion to recommend to the Board the remuneration packages for the Executive Director, all of the Non-Executive Directors and key management personnel of the Group, and the CEO has the responsibility and discretion to determine remuneration packages of all other employees who are non-key management of the Group.

The remuneration package for the key management personnel consists of both fixed and variable components. The variable component in the form of profit sharing is based on annual profits and achievement of the mid-to-long term business targets of the individual business units and the Group in the relevant financial year. The Company has implemented a share-based long term incentive plan known as CSE Performance Share Plan ("Share Plan") in lieu of an existing cash plan on 20 April 2017, details of which are disclosed in the Directors' Statement. The Share Plan will allow management to further align their interest and share in the future of the Company with the shareholders. The Share Plan is administered by the RC. During the financial year under review, a total of 3,193,023 performance shares ("Performance Shares") were awarded to the Executive Director and key management personnel of the Company (the "Participants") for their performance in FY2023. Subsequent to financial year end, on 26 February 2025, a total of 5,220,004 Performance Shares were awarded to the Participants for their performance in FY2024. The Performance Shares were awarded to reward the Participants based on the performance criteria as determined by the RC who is administering the Share Plan. The awards consist of the grant of fully paid shares. The share awards are not subject to a vesting period, but are subject to a selling moratorium period of 1 to 5 years from the date of award against any disposal or sale and/or other dealings in the shares. The Performance Shares were released to the Participants via the release of Treasury shares.

The Company does not have any contractual provisions which allow it to reclaim incentive components of remuneration from key executives as such provisions may have a negative impact on attracting and retaining talent in the Company.

Remuneration of Top Five Key Management Personnel ("KMP")

To maintain confidentiality of staff remuneration, the names of the top five KMP are not stated. The Company believes that it may not be in the best interest of the Company to disclose the remuneration of key executives on an individually named basis as recommended by the 2018 CG Code. Having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Company's business activities, the Company had not disclosed the names of the KMP as this may give rise to recruitment and talent retention issues. There would be negative impact to the Company if members of the experienced and qualified senior management team are poached, which may affect the ability to both nurture a sustainable talent pool and ensure the smooth continuity in leadership critical for the achievement of the strategic objectives of the Company. The Company believes that shareholders' interest will not be prejudiced as a result of such non-disclosure of the names of the KMP. After considering the recommendations set out in 8.1 and 8.3 of the 2018 CG Code carefully, having taking into account the highly competitive conditions for talent in the industry, the Board is of the view that the Group's key management personnel's remuneration shall be disclosed as bands, as laid out in the following table.

Other than this, the Company has complied with the rest of the disclosure requirements under Provision 8.1 of the 2018 CG Code.

Information relating to the remuneration of the Group's top 5 key management personnel (who are not Directors or the CEO of the Company) for the year ended 31 December 2024 are as follows:

Remuneration Band	No of employees	Salary (%)	Bonus (%)	Other Benefits & Provident Fund (%)	Share Based compensation (%)
S$2,500,001 – S$3,000,000	1	26	72	2	-
S$1,750,001 - S$2,000,000	1	29	21	4	46
S$1,250,001 - S$1,500,000	1	37	59	4	-
S$1,000,001 - S$1,250,000	1	66	-	2	32
S$500,001 - S$750,000	1	100	-	-	-

The total remuneration of the top five key management personnel (who are not Directors or the CEO of the Company) for the year ended 31 December 2024 amounted to S$7,724,813.

There were no termination, retirement and post-employment benefits paid to any Directors and the top five key executives in the year ended 31 December 2024. In addition, the RC was satisfied that the service contracts with the key executives do not contain termination clauses that are overly generous.

Remuneration of employees who are immediate family members of a Director or the CEO

There are currently no employees whose remuneration exceeds $100,000 per year who are immediate family members of a Director or the Managing Director/CEO.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls
Principle 9

The ARC assists the Board in overseeing the risk governance of the Group to ensure that there is a sound system of risk management and internal controls to manage risks in a way that is aligned with the Group's risk tolerance. The Company has put in place an Enterprise Risk Management ("ERM") framework which was established to ensure adequate and effective management of risks and facilitate the Board's assessment on the adequacy and effectiveness of the Group's risk management system. The framework sets out governing policies, processes and systems pertaining to each of the key risk areas to which the Group are exposed. The framework also facilitates the assessment by the Board in the effectiveness of the Group in managing each of the key risks.

The Board, through the ARC's reviews, monitors the adequacy of the Company's internal controls including financial, operational, compliance and information technology controls and risk management policies and systems established by Management. The internal auditor also conducts independent reviews of the adequacy and effectiveness of the Company's material internal controls, including financial, operational and compliance controls, information technology and risk management, at least annually and reports these findings to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the internal auditor in this respect. In addition, the external auditors have also performed a review of the internal financial systems and operating controls for the financial statements attestation purpose. Such reviews have also been reported to the ARC.

Further details on the CSE Global Risk Management Framework can be found on pages 63 to 73 of this Annual Report.

The Board has received assurance from the CEO and CFO that, as at 31 December 2024, the financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

The Board has also received assurance from the CEO and key management personnel that the internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective as at 31 December 2024 to address the risks that the Group considers relevant and material to its operations.

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors and reviews performed by Management, as well as the said assurances set out above, the Board, with the concurrence of the ARC, is of the view that the Company's system of risk management and internal controls (including financial, operational, compliance and information technology controls) were adequate and effective as at 31 December 2024 to risks which the Company considers relevant and material to the Group's operations.

The system of risk management and internal controls provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of risk management and internal controls could provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

The process of reviewing and strengthening the Company and Group's control environment is an evolving process. When controls should be enhanced, the Board and Management take action to rectify and strengthen the internal controls and risk management systems. The Board and Management will continue to devote resources and expertise towards improving its internal policies and procedures to maintain a high level of governance and internal controls.

Audit and Risk Committee
Principle 10

To ensure that corporate governance is effectively practiced, the Directors have established self-regulatory and monitoring mechanisms, including the establishment of the ARC.

The members of the ARC at the date of this report comprise the following Directors:

Mr Tan Chian Khong – Chairman
Dr Lee Kong Ting
Ms Ng Shin Ein
Mr Tang Wai Loong Kenneth

The ARC comprises four members, all of whom including Chairman, are independent. The members of the ARC are appropriately qualified to discharge their responsibilities and have relevant accounting and related financial management experience and expertise. None of the ARC members were previous partners or directors of the Company's external auditor, Ernst & Young LLP, within the last two years or hold any financial interest in the external auditor.

The ARC, together with the external auditors and internal auditor, meets regularly with at least four ARC meetings within each financial year, and also as warranted by particular circumstances, as deemed appropriate by the ARC. In addition, the ARC also met with the external auditors and internal auditor, without the presence of the Company's management during the financial year under review. The ARC met four times during FY2024 during which the external and internal auditors were present for four times.

The Board is satisfied that all the members of the ARC have accounting, financial, business management, corporate legal expertise and work experience to discharge their responsibilities. The Chairman of the ARC, Mr Tan Chian Khong, has accounting or related financial management expertise or experience. Mr Tan Chian Khong is a veteran with more than 35 years of experience in providing audit and business advisory services to clients in a wide range of industries.

The ARC has full access to the external auditors and internal auditor without the presence of the management of the Company as well as full access to and co-operation of Management. The ARC has explicit authority to investigate any matters within its terms of reference, full access to and co-operation by the management of the Company and full discretion to invite any Director or management of the Company to attend its meetings and has reasonable resources to enable it to discharge its functions properly.

The primary function of the ARC is to provide assistance to the Board in fulfilling its responsibilities relating to corporate accounting and auditing, reporting practices of the Company, the quality and integrity of the financial reports of the Company, and the Company's risk management and internal control systems regarding finance, accounting, legal and regulatory compliance, contractual obligations and ethics established by the Board and the management of the Company.

The ARC is guided by its terms of reference which sets out its responsibilities. The terms of reference are in line with the 2018 CG Code. The responsibilities of the ARC include:

(a) recommending to the Board the appointment, re-appointment or discharge of the external auditors, and approving the remuneration and terms of engagement of the external auditors and in this connection, considering the independence and objectivity of the external auditors annually, keeping under review the scope and results of the audit and its cost effectiveness;

(b) keeping the nature and extent of non-audit services supplied by the external auditors under review yearly where the external auditors also supply a substantial volume of such services to the company, with the objective of balancing the maintenance of objectivity and value for money;

(c) considering and reviewing with the external auditors and the internal auditor, at least annually, the adequacy, effectiveness and efficiency of the management processes, internal financial controls, operational and compliance controls, risk management policies and any significant findings and recommendations of the external auditors and the internal auditor, together with the management's responses thereto;

(d) meeting with the external auditors, the internal auditor, the management and any others considered appropriate in separate executive sessions to discuss any matters the ARC believes should be discussed privately and establishing a practice to meet with the external auditors without the presence of the management of the Company at least annually;

(e) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance;

(f) reviewing the effectiveness of the company's internal audit function that is independent of the activities that it audits, appropriate standing within the Company and adequately resourced;

(g) reviewing and taking actions on the arrangements by which staff of the company and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

(h) reviewing the interested person transactions falling within the scope of the Listing Rules; and

(i) meeting principal overseas subsidiaries' independent directors, the management and any others considered appropriate in their periodic visits to these subsidiaries.

The ARC keeps abreast of the changes to accounting standards and issues that may have a direct impact on the financial statements by referring to the best practices and guidance in the Guidebook for Audit Committee in Singapore and the reports issued from time to time in relation to the Financial Reporting Surveillance Programme administered by the Accounting and Corporate Regulatory Authority. During the year, the ARC was also briefed on the new accounting standards that might impact the Group's consolidated financial statements by the external auditors at the ARC meetings.

In appointing the auditing firms for the Company, subsidiaries and significant associated companies, the Group has complied with Rules 712, 715, 716 and 717 of the Listing Rules.

In line with Rule 1207(6) of the Listing Rules, the ARC has undertaken a review of all non-audit services that are provided by the external auditors and is satisfied that the provision of such services has not affected the independence of the external auditors. The fees that are charged to the Group in respect of the audit and non-audit work by the external auditors are set out as follows:

	2024 $'000	2023 $'000
Audit fees :		
- Auditors of the Company	527	508
- Statutory audit	35	45
- Other assurance services		
- Other auditors of subsidiaries	471	417
Total audit fees	**1,033**	**970**
Non-audit fees :		
(a) Tax compliance services		
- Auditor of the Company	100	50
- Member firm of Ernst & Young Global Limited	–	138
- Other auditors of subsidiaries	84	230
(b) Tax residency services		
- Member firm of Ernst & Young Global Limited	–	65
Total non-audit fees	**184**	**483**
Total audit and non-audit fees	**1,217**	**1,453**

The ARC has a policy that, for services rendered by the external auditors of the Company, non-audit fees exceeding 50% of the audit fees would not be approved by the ARC.

Whistle-Blowing Policy

The Group has in place a Whistle-Blowing Policy. This Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting or other matters may be raised by employees and external parties in confidence and in good faith, without fear of reprisal. Details of this policy have been disseminated and made available to all employees of the Company. All matters which are raised are then independently investigated and appropriate actions taken. The ARC ensures that independent investigations and any appropriate follow-up actions are carried out.

There were no whistle-blowing reports received by the ARC in the financial year under review.

Bribery and Corruption Prevention Policy

The Company adopts a strong stance against bribery and corruption. In addition to clear guidelines and procedures for the giving and receipt of corporate gifts and concessionary offers, all employees of the Group are required to make a declaration on an annual basis where they pledge to uphold the Company's core values and not to engage in any corrupt or unethical practices. This serves as a reminder to all employees to maintain the highest standards of integrity in their work and business dealings. The Company's stance against bribery and corruption is also reiterated by Management during its regular staff communications sessions.

Employee Code of Conduct

The Company has a strict Code of Conduct that applies to all employees, who are required to acknowledge and comply with the code. The Code of Conduct sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with the Company, customers and suppliers. It covers areas such as conduct in the workplace and business conduct, including anti-corruption and conflict of interests. These policies are reviewed regularly and updated to reflect changes where required.

Sanctions Policy

The Company is firmly committed to complying with all applicable economic sanctions laws that are legally binding upon the Group and its businesses. Any breach of sanctions may have a serious impact on our reputation, franchise, regulatory relationships and could impair the Group's ability to provide products and services to clients. The Group has therefore established a sanctions policy that may be more stringent than what is permitted by law and regulation. The Group adopts a policy of not entering into any business or transaction that either directly or indirectly involves or is for the benefit of any Sanctioned Parties. The Group also prohibits and will not facilitate activity with certain governments or parties within certain geographies that are targeted under the sanctions programs of the United Kingdom, European Union, United States, Singapore or United Nations. The Group neither maintains a presence in these sanctioned geographies nor is it the target of these sanctions programs. As these are a direct consequence of international relations, the Group's Sanctions Policy and specific prohibitions may change from time to time.

Key Audit Matters

The key audit matters in relation to the FY2024 financial statements are outlined below. Reviews include discussions with management and the external auditor, Ernst & Young LLP, and, where appropriate, the significant financial reporting matters have been addressed under the Key Audit Matters in the Independent Auditors' Report on pages 109 to 112.

Audit and Risk Committee Commentaries

Key Audit Matters	How the ARC reviewed these matters and what decisions were made
Revenue recognition on project contracts	The ARC discussed with management and the external auditor in relation to the revenue recognition on project contracts. The ARC was satisfied with the appropriateness of the project revenues recognised in the consolidated financial statements of the Group for the financial year ended 31 December 2024.
Assessment on expected credit loss of trade receivables and contract assets	The ARC discussed with management and the external auditor on the basis used to determine the level of expected credit loss on trade receivables and contract assets, and was satisfied that as of 31 December 2024, the level of expected credit loss for the Group was appropriate.
Impairment assessment on goodwill	The ARC considered the approach and methodology applied in performing the annual goodwill impairment assessment. It reviewed the key assumptions used in the discounted cash flow model such as discount rate and growth projections. The ARC was satisfied with the appropriateness of the analysis performed by management that no impairment in goodwill is required as at 31 December 2024.

Internal Audit

The Company has an in-house internal audit function that is independent of the activities that it audits. The ARC has also appointed KPMG to supplement the in-house IA function. KPMG is a member of the Institute of Internal Auditors ("IIA"), a professional internal auditing body affiliated to the IIA. KPMG and the in-house IA (together known as the "Internal Auditors") work together to review the effectiveness of the key internal controls, including financial, operational, technology and compliance controls for selected scope of review annually, as approved by the ARC.

The Group's internal audit function is independent of the external audit. The Internal Auditor's primary line of reporting is directly to the Chairman of the ARC and has unrestricted access to the Company's documents, records, properties, and personnel of the Group. However, the in-house internal auditor also reports administratively to the Managing Director of the Company. The ARC approves the hiring, removal and evaluation of the Internal Auditors.

The ARC is satisfied that the Internal Auditors have met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the IIA. In addition, KPMG has confirmed their independence to the ARC.

The ARC is satisfied that the Internal Audit function is adequately resourced and has the appropriate standing within the Company.

The ARC has reviewed the adequacy and effectiveness of the in-house IA at least annually, and is satisfied that the inhouse IA is adequate and effective and has maintained its independence from the activities that he audit.

The Internal Auditors adopts a risk-based auditing approach in formulating the annual audit plan which aligns its activities to the key risks across the Group's business. The reviews performed by the Internal Auditors are aimed at assisting the Board in evaluating the adequacy and effectiveness of risk management, controls and governance processes.

During the year, the Internal Auditors conducted its audit reviews based on the annual internal audit plan which was approved by the ARC. The annual internal audit plan incorporates the audit of key risk areas identified under the Group's Enterprise Risk Management framework. Each quarter, the Internal Auditors would submit a report to the ARC on the key audit findings and actions to be taken by Management on such findings. Key findings are also highlighted at ARC Meetings for discussion and follow up actions. The ARC monitors the timely and proper implementation of the required corrective, preventive or improvement measures to be undertaken by Management.

External Auditor

The Board is responsible for the initial appointment of external auditor. Shareholders then approve the appointment at the Company's AGM. The external auditor holds office until its removal or resignation. The ARC assesses the external auditor based on factors such as the performance and quality of its audit and the independence of the auditor, and recommends its appointment to the Board. Pursuant to the requirements of the Listing Rules, an audit partner may only be in charge of not more than of five consecutive annual audits and may then return after two years. Ernst & Young LLP ("EY") has met this requirement, and the current EY's audit partner for the Company took over from the previous audit partner with effect from the financial year ended 31 December 2024.

In reviewing the nomination of EY for re-appointment for the financial year ending 31 December 2024, the ARC had considered the adequacy of the resources and experience of the audit engagement partners assigned to the audit, the size and complexity of the audit exercise for the Group, and the number and experience of the supervisory and professional staff assigned to the Group's audit through a review of the curriculum vita of the EY audit team. The ARC had also considered the quality of discussions with the findings raised by EY, including the Audit Quality Indicators presented. On this basis, the ARC recommended the re-appointment of EY at the upcoming AGM of the Company.

The Company has complied with Rules 712 and 715 of the Listing Rules in relation to the appointment of its auditor.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of general meeting
Principle 11
Engagement with shareholders
Principle 12
Engagement with Stakeholders
Principle 13

The shareholders of the Company have the opportunity to participate effectively and to vote at the Company's AGM and any other general meetings. The Company has employed electronic polling since 2014. An independent scrutineer firm is also present to validate the votes at each general meeting. The results of all votes for and against each resolution is tallied and instantaneously displayed at the meeting. The voting results are announced via SGXNet following each general meeting.

Shareholders are allowed to vote in person or by proxy if they are unable to attend the Company's AGM. The Company's Constitution allows a shareholder to appoint not more than two proxies to attend and vote in the shareholder's place at the general meetings of shareholders. The proxy need not be a Member of the Company. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold SGX shares through a nominee company or custodian bank or through a CPF agent bank may attend and vote at each general meeting of shareholders. Currently, the Company's Constitution does not allow for shareholders to vote at general meetings in absentia.

Information on general meetings will be disseminated through notices in the annual report or circulars, sent to all shareholders; announced on SGXNet; and advertised in local newspapers. The Company's website at www.cse-global.com also provides updated information to shareholders and investors on its corporate development.

The Company ensures that all material and price sensitive information which may affect the price or value of the Company's shares is promptly disseminated to the public on a comprehensive, accurate and timely basis via SGXNet and is not selectively disclosed. On the rare occasion when such information is inadvertently disclosed to a select group, the Company will make the same disclosure publicly to all others as soon as practicable.

There are separate resolutions at the general meetings on each distinct issue.

All shareholders receive the Annual Report and the notice of AGM. The notice of AGM is also released via SGXNet, published in local newspapers and uploaded on the corporate website. At each general meeting, each distinct issue is proposed as a separate resolution. At the general meetings, shareholders are given the opportunity to air their views and direct questions to the Board on any matter relating to the Group's business and operations or the resolutions tabled at the meeting. At each AGM, the CEO delivers a presentation to update shareholders on the Group's performance over the past year. Directors and senior management are present at general meetings to address shareholders' queries. The external auditors are also present at the AGMs of the Company to address queries about the conduct of audit and the preparation and content of the Auditors' Report. The Company Secretary prepares minutes of general meetings, which incorporate substantial comments or queries from shareholders and responses from the Board and Management. These minutes are made available to shareholders on the Company's website.

Following the amendments to Rule 705(2) of the Listing Rules which came into effect from 7 February 2020, the Company is no longer required to release the Group's unaudited financial statements on a quarterly basis. After due deliberation, the Board decided not to continue with quarterly reporting of the Group's financial results and instead, release financial reports on a half-yearly basis.

To supplement the half-year and full year financial reports which continue in the existing format prescribed by the Listing Rules, the Company has been providing business and financial updates for the Group's first and third quarter performance.

In addition, the Company conducts quarterly briefings with analysts based on the business and financial updates which are posted on SGXNet. At such briefings, Management openly communicates the Group's financial and operational performances, business growth strategies as well as general business updates.

The Company does not have a formal dividend policy but the Board strives to provide sustainable dividend payouts. For the financial year ended 31 December 2024, the Board has proposed a final dividend of 1.15 Singapore cents per share, which brings the full-year ordinary dividend to 2.40 Singapore cents per share.

Securities Transactions

The Company has adopted and issued an internal compliance code entitled "Code of Best Practice on Securities Transactions by Officers" to the Officers of the Group. The internal compliance code set out a code of conduct to provide guidance for the Officers of the Group on their dealings with the Company's securities, as well as the implications of insider trading.

Under Company's internal compliance code, the Company, its Directors and officers should not deal in the Company's securities during the following "black out" periods:

- the period commencing two weeks before the announcement of the Company's business and financial updates for the first and third quarters of its financial year and ending after the announcement of the relevant business and financial updates; and

- the period commencing one month before the announcement of the Company's half-year and full-year financial statements and ending immediately after the announcement of the relevant financial statements.

Directors and officers are also advised to adhere to the following rules at all times:

(a) observe insider trading laws and not to deal in the Company's securities while in possession of any unpublished material price-sensitive information; and

(b) not to deal in the Company's securities on short-term considerations.

In addition, Directors are required to report to the Company Secretary within two business days whenever they deal in the Company's securities and the latter will make the necessary announcements in accordance with the requirements of the Listing Rules.

The Company has complied with its Best Practices Guide on Securities Transactions.

Interested Person Transactions

The Company has in place procedures to ensure that all transactions with interested persons are reported in a timely manner to the ARC for its review.

There was no shareholder mandate obtained for interested person transaction for the financial year under review.

There was also no interested person transactions for the financial year under review.

Material Contracts

Pursuant to the requirements as stipulated under Rule 1207(8) of the Listing Rules, except for the interested person transactions disclosed under item 17, there were no material contracts of the Company or its subsidiary companies involving the interests of any Directors of the Company, the Managing Director of the Company or any controlling shareholders of the Company or their associates, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Update on the use of the Proceeds from Placement of 60 million new shares

As at the date of this report, S$14.3 million of the net proceeds of S$23.2 million had been utilised for the acquisition of RFC Wireless, Inc.

RISK GOVERNANCE AND INTERNAL CONTROL

CSE GLOBAL RISK MANAGEMENT FRAMEWORK

OVERVIEW

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

CSE's Board is responsible for governing risks and ensuring that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and determining the nature and extent of the significant risks which the Board is willing to undertake in achieving its strategic objectives. Assisted by the Audit & Risk Committee ("ARC"), the Board provides valuable advice to management in formulating the risk management framework, policies and guidelines.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The management surfaces key risk issues for discussion with the ARC and the Board regularly.

The internal auditor's primary role in relation to risk management is to provide management and the board objective assurances in:

a. The design of the risk management processes and how well they are working
b. The effectiveness in management of key risks
c. The reliability and appropriateness in risk assessment and the reporting of the risk and control status

The external auditor will provide objective assurance of the effectiveness of risk management and internal controls, particularly within the financial system and reporting.

OBJECTIVE

The Board has put in place three risk tolerance guiding principles for the Group. These principles serve to determine the nature and extent of the significant risks, which our Board is willing to undertake in achieving its strategic objectives.

These principles are:

1. Risk taken should be carefully evaluated, commensurate with rewards and in line with the Group's core strengths and strategic objectives.
2. No risk arising from a single area of operation, investment or undertaking should be so huge as to endanger the entire Group.
3. The Group does not condone safety breaches or lapses, non compliance with laws and regulations, as well as acts such as fraud, bribery and corruption.

CSE ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

CSE is committed to establishing an organisation that ensures 'managing risks' is an integral part of its business activities and a core capability where ERM is used to support decision-making. In CSE, ERM implementation aims to achieve more specifically the following objectives:

- Promote good corporate governance and a sound system of Risk Management and internal controls;
- Embed a structured and disciplined approach to systematically identify key risks that will impact CSE's businesses, assess the likelihood and impact of these risks and develop action plans to treat these risks;
- Establish a system to monitor and report key risks to the Group CEO through the Risk Management Committee (RMC) as part of the risk management framework;
- Develop and embed an organisational risk culture within CSE;
- Enhance compliance with relevant legal and regulatory requirements; and
- Minimise unexpected losses and manage expected losses.

CSE's Enterprise Risk Management (ERM) framework provides the Group with a holistic and systematic approach to risk management. It outlines the reporting structure, monitoring mechanisms, processes and tools, as well as policies and limits, in addressing the Group's key risks.

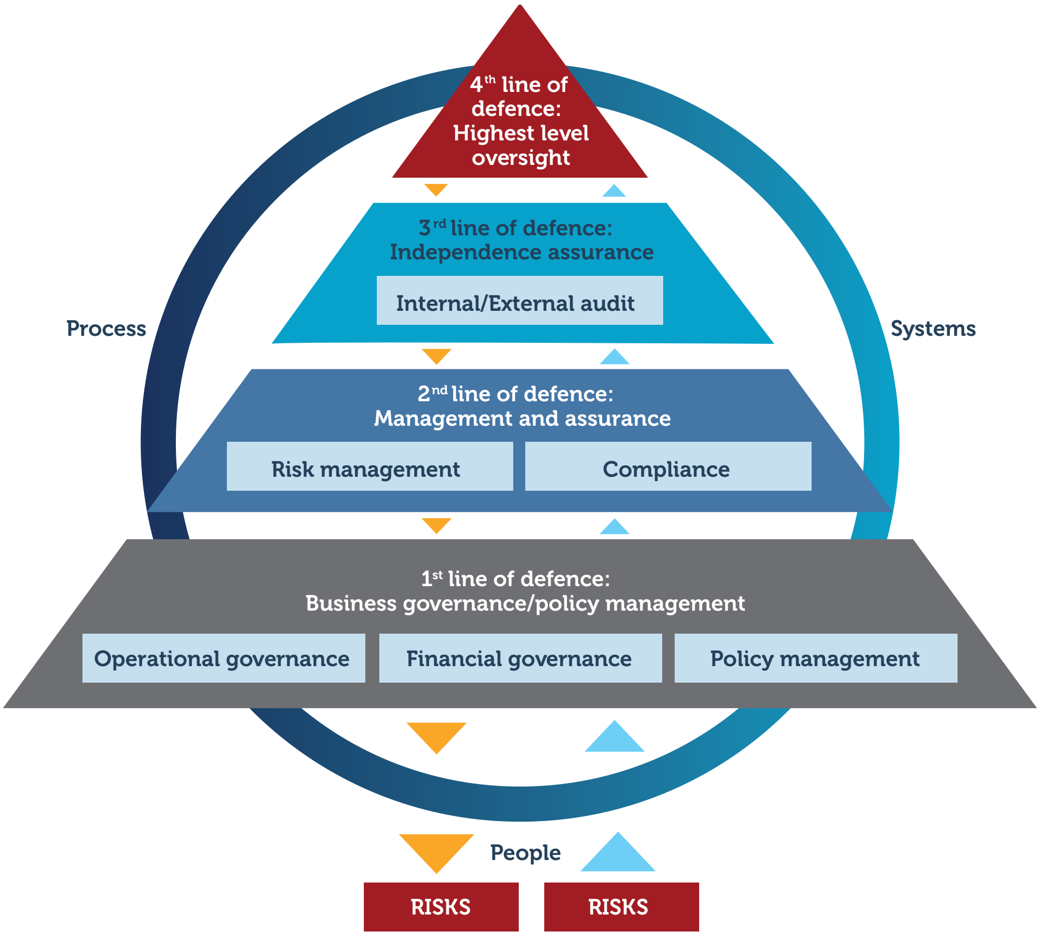
RISK GOVERNANCE AND INTERNAL CONTROL

Our ERM framework is constantly refined, ensuring relevance in a dynamic operating environment. The main references of this ERM Framework are:

- ISO 31000 - This ERM Framework Manual is based on the ISO 31000:2018 Risk Management - Guidelines. ISO 31000 is a generic framework on Risk Management and is not specific to any sector or industry. Whilst CSE's ERM Framework Manual has drawn guidance from ISO 31000, further customisation has been made to better suit CSE's operating environment.

- COSO Enterprise Risk Management Framework.

The ERM framework within CSE is to embed and build on the 4 lines of defence (as illustrated in the diagram below), a prerequisite to ensure the overall ERM process and system of internal controls is robust across CSE.



LINES OF DEFENCE

1. **Business Governance / Policy Management** – This refers to CSE's policies and procedures (e.g. Standard Operating Procedures) and operational staff that help to manage and monitor key risks and detect changes in the organisation's risk profile.

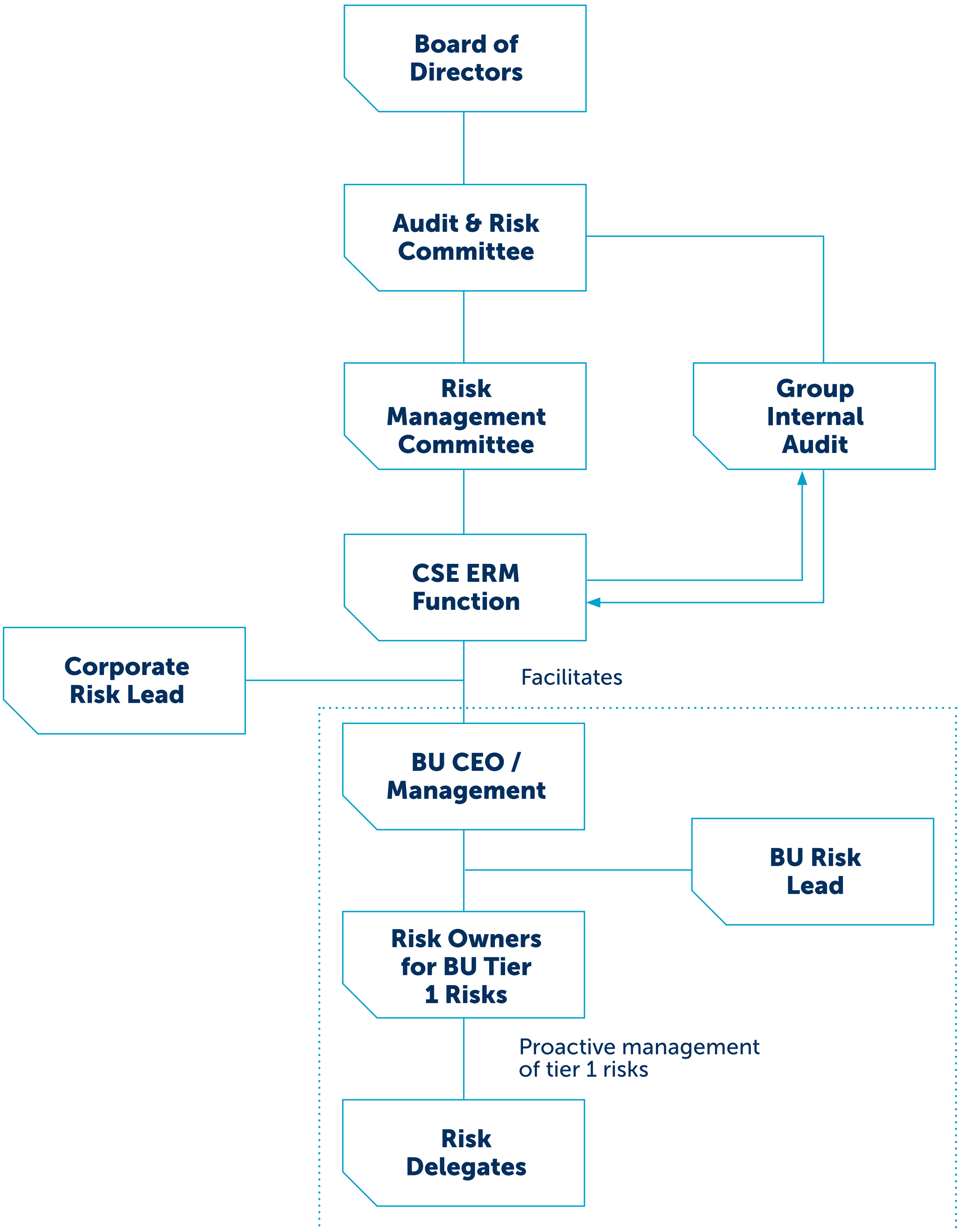
2. **Management and Assurance** – This refers to CSE's Risk Management function and other functions, involved in ensuring compliance, which enforce and coordinates risk and control activities in CSE.

3. **Independent Assurance** – This refers to independent sources of assurance on CSE's internal controls, risk mitigating measures or financial statements.

4. **Board Oversight** – This refers to CSE's Board and/or Audit & Risk Committee (ARC) and their oversight over CSE's key risks, controls and measures to manage risks within the organisation.

RISK GOVERNANCE STRUCTURE

Adopting the 4 lines of defence, CSE has developed a risk governance structure embedded within the existing organisational structure with assigned ERM roles and responsibilities that provide an appropriate segregation of duties:



RISK GOVERNANCE AND INTERNAL CONTROL

As a Group, we adopt a balanced approach to risk management. As not all risks can be eliminated, we will only undertake appropriate and well considered risks to optimise returns for the Group.

RISK FACTORS

Our financial performance and operations are influenced by a vast range of risk factors. Many of these affect not just our businesses, but also other businesses in and outside the industry. These risks vary widely and many are beyond the Group's control. There may also be risks that are either presently unknown or not currently assessed as significant, which may later prove to be material. However, we aim to mitigate the exposures through appropriate risk management strategies and internal controls.

KEY RISKS

A clear and comprehensive risk categorisation is used to define and organise relevant risks to facilitate risk identification, assessment, measurement, monitoring and reporting.

STRATEGIC RISKS	Associated with the business plans, strategies, and strategic positioning of the enterprise. Have longer term perspective and could result in significant material impact to the business.
OPERATIONAL RISKS	Associated with the delivery of goods or services to the customers, often relating to people, processes and systems.
TECHNOLOGY RISKS	Associated with use, ownership, operations, involvement, protection and adoption of IT. Includes IT reliability and continuity, data protection and cyber security.
COMPLIANCE RISKS	Associated with compliance to regulations imposed by authorities or contractual commitments to business contracts.
FINANCIAL RISKS	Associated with the financial performance of the business and the recording of business activities in the financial statements.

A. STRATEGIC RISK

MARKET AND COMPETITION

The Group's strategic risks comprise market and competition risks. These include market driven forces, increased competition and changing customer demands. The Group remains vulnerable to challenges and uncertainties in the industry markets in which it serves, implications from geo-political developments on globalisation and threats of disruptive technology. The Group holds strategy meetings to review business strategies and develop action plans to mitigate against these risks.

The ARC guides the Group in formulating and reviewing risk policies and limits. These are subject to periodic reviews to ensure they continue to support business objectives and are aligned to our risk tolerance level. Taking into consideration the prevailing business climate and the Group's risk appetite, the policies aim to address risks effectively and proactively.

MANAGEMENT OF GROWTH

The Group competes internationally with many firms that are substantially larger and have substantially greater financial, professional and other resources than the Group. The Group's continued success depends on its ability to compete effectively with its competitors as well as to persuade customers to use the Group's products and services instead of those developed in-house by the customers. The Group intends to further develop its niche markets in the energy, power and utility industries, as well as the water, wastewater and environmental industries, and the public sector. The Group intends to achieve this by offering customers industry specific knowledge and cost-effective solutions. Such a strategy has enabled the Group to enjoy significant growth in recent years as reflected in its turnover and profits.

The Group has experienced rapid growth in the past few financial years in terms of the number of employees, scope of activities, geographical markets and level of technical expertise. To support the growth of its current and future projects, the Group will need to attract, motivate and retain a significant number of highly qualified professionals who have significant relevant industry experiences. As a systems integrator providing highly sophisticated information technology and industrial automation solutions and services locally and overseas, the Group requires qualified professionals who are experienced and possess the relevant skill sets. Given the exacting job specification, the pool of qualified professionals is relatively small. As such, the Group faces keen competition for such pool of qualified professionals. To manage and sustain its growth effectively, the Group must continue to expand its management team by attracting more talent and to motivate and retain such professionals at a competitive cost, as well as improve its operational efficiency and financial management.

ACQUISITIONS AND DIVESTMENTS

Being an acquisitive company, CSE faces challenges arising from integrating newly acquired businesses with our own operations and managing these businesses in markets where we have limited experience. The Group risks not being able to generate synergies from these acquisitions, and the acquisitions may become a drain on the Group's management and capital resources.

The Company recognises the risks associated with acquisitions. However, CSE views suitable acquisitions as the fastest way to achieve scale and will mitigate risks through pre-acquisition due diligence and carefully managed integration processes. CSE recognises that rapid growth will stretch the organisation, its infrastructure and processes, but is willing to bear the attendant risk so long as it is able to reasonably mitigate the key risks.

CSE has an established process for evaluating acquisition and divestment decisions. Acquisitions are monitored to ensure they are on track in meeting the Group's strategic objectives and investment returns.

The Board guides the Group to take risks in a controlled manner, preserving the entrepreneurial spirit as well as exercising financial discipline to earn the best risk adjusted returns on invested capital. The investment portfolio is constantly monitored to ensure that performance is on track to meet the Group's strategic objectives and investment returns.

HUMAN RESOURCES

CSE is committed to attracting and retaining the best talents, with the ultimate goal as a preferred employer of choice. This can be achieved by maintaining good employee relations, promoting employee engagement, enhancing talent development and fostering a conducive work environment for our employees. The Group continues to focus on strengthening and building our human capital and capabilities to support our long term and sustainable growth plans.

CLIMATE-RELATED

CSE recognizes the importance of managing climate-related risks which have an impact on business operations and business assets. We are committed to doing our part in reducing our carbon emissions and protecting our people and assets from the impacts of extreme weather. Climate risks for businesses can include physical and transition risks, and it is essential to anticipate and prepare for these risks, as it can help to reduce company's exposure to potential financial losses, secure supply chains, comply with increasing regulations, and prepare for changing market demands.

To remain competitive, businesses must prioritize climate risk management not just for present-day operations but also for future revenue streams and managing the cost of capital. Businesses that embrace climate risk management will likely have a greater opportunity to achieve long-term success and resilience.

We have aligned our sustainability framework to global standards, including adopting recommendations from Task Force on Climate-related Financial Disclosures and Global Reporting Initiative. We constantly leverage technologies and digital solutions to monitor our sustainability performance across our business operations in the Group and work closely with our partners, suppliers and contractors throughout the value chain. We will continue to invest and demonstrate our commitment to being a responsible corporation.

B. OPERATIONAL RISK

PROJECT MANAGEMENT

As a contractor and system integrator, CSE is subject to the risks of increased project costs, disputes and unexpected implementation delays, any of which can result in an inability to meet projected completion dates. We face potential project execution risks when projects are not accurately scoped or the quality of service performance is not up to customers' specifications, resulting in over-commitments to customers, as well as inadequate resource allocation and scheduling. These can lead to cost overruns, project delays and losses. The Group has a project risk management framework in place with processes for regular risk assessment, performance monitoring and reporting of key projects. Particular attention is given to technically challenging and high value projects, including greenfield developments, as well as those that involve new technology or operations in a new country. Projects are managed in accordance to the respective country's environmental laws and labour practices.

HEALTH, SAFETY & ENVIRONMENT

Maintaining a high level of health, safety and environmental (HSE) standards is of paramount importance to the Group. As such, we are constantly raising awareness and building a HSE culture at the ground level. Key initiatives include driving a zero fatality strategy across our global operations, enhancing competency of employees performing safety-critical tasks, strengthening operational controls, as well as developing more proactive and leading metrics to monitor HSE performance. Environmental management practices in key operating sites are also closely monitored. As a Group, we continue to embrace and leverage technology to improve HSE processes and systems.

SUPPLY CHAIN MANAGEMENT

We rely on vendors and service providers and their extended supply chain in many aspects of our businesses. Accordingly, our operations and reputation may be affected by vendors or their supply chains failing to perform their obligations or failing to operate in line with increased expectations of key stakeholders such as government, regulators and customers on a broadening set of ESG issues.

In addition, the industry is dominated by a few key vendors for such services and equipment. Any severe delays, failure or refusal by a key vendor to provide such services or equipment arising from disruptions caused by global pandemics, component shortages, government-imposed bans on vendors and/or sanctions due to security and other concerns, or any consolidation of the industry, may significantly affect our business and operations.

We monitor new legislation introduced as well as the developments and restrictions by governments and regulators on various vendors to ensure our key vendors comply with the relevant laws and regulations. We also monitor our relationships with key vendors closely and develop new relationships to mitigate supply risks. We have in place a supply chain management process, including supplier selection and supplier review processes, which is regularly updated to manage risks that may exist in our supply chain (Refer to the CSE Group Sustainability Report for more details).

BUSINESS CONTINUITY

We are committed to enhancing operational resilience through a robust Business Continuity Plan (BCP) that will equip us to respond effectively to disruptions, while continuing with critical business functions and minimising the impact on our people, operations and assets. As a Group, we have increased efforts in reviewing and testing our operational preparedness and effectiveness of these plans. Follow up actions are taken to strengthen operational resilience and key learning points are documented.

Crisis management and communication procedures have also been embedded into the Group's BCP processes. These procedures are constantly refined to allow us to respond in an orderly and coordinated way, as well as to expedite recovery. Our focus is on building capabilities to respond to crises effectively while safeguarding our people, assets and the interests of our stakeholders.

C. TECHNOLOGY RISK

INFORMATION TECHNOLOGY & CYBER SECURITY

The Group has in place an Information Technology (IT) security framework to address evolving IT security threats. We recognize the criticality of global cyber threats and have established technology and cyber governance structures and frameworks to address both general technology and cyber security controls, covering key areas such as business disruption, theft/loss of confidential data and data integrity.

Our IT security, governance and controls have been strengthened through the alignment of IT policies, processes and systems, and the consolidation of servers and storages. Extensive training has been conducted on user security education to heighten awareness of IT threats. Measures and considerations have also been taken to safeguard against loss of information, data security, and prolonged service disruption of critical IT systems. We ensure compliance with our internal information technology and security policies and procedures.

D. COMPLIANCE RISK

We have a defined framework and continue to work towards strengthening our policies and processes surrounding regulatory compliance, to foster a compliance-centric culture. The framework deals with the structure, people, policies and activities required for management to identify, assess, mitigate and monitor key compliance risks.

I. LAWS, REGULATIONS & COMPLIANCE

Given the geographical diversity of our businesses, we closely monitor developments in laws and regulations in countries where the Group operates, to ensure that our businesses and operations comply with all relevant laws and regulations. We regularly engage with local government authorities and agencies to keep abreast of changes in regulations.

Recognising that non-compliance with laws and regulations has potential significant reputational and financial impact, particular emphasis is placed on regulatory compliance in all our operations.

II. CORPORATE GOVERNANCE - POLICIES AND PROCEDURES

a) Employee Code of Conduct

We have a strict Code of Conduct that applies to all employees, who are required to acknowledge and comply with the code. The Code of Conduct sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with the Company, customers and suppliers. It covers areas such as conduct in the workplace and business conduct, including anti-corruption and conflict of interests. These policies are reviewed regularly and updated to reflect changes where required.

b) Whistle-Blowing Policy

CSE has had a whistle-blowing policy and procedures, which provide employees with well-defined and accessible channels within the Group through which they may, in confidence, raise concerns about possible improprieties in matters of business activities, financial reporting or other matters to the Audit Committee. This arrangement facilitates independent investigation of such matters for appropriate resolution.

c) Training & Communications

Training is a key component within CSE's regulatory compliance framework and we continue to focus on refining our compliance training programme and curriculum for new and existing employees. Training programmes are tailored to the audience and we leverage Group-wide forums to reiterate the key messages. Our employees are also required to complete mandatory annual assessment covering key policies, as well as to acknowledge that they have read and understood our policies and declare any potential conflicts of interest.

d) Financial Discipline Process

A systematic approach has been in place for CSE Global Limited and its subsidiaries to ensure financial discipline across the Group. We have set up a self-check, review and certification process called the Self-Assessment Declaration for all subsidiaries to confirm their commitment to and compliance with a prudent financial discipline framework. The framework provides for management at various levels in the countries to systematically review and ensure compliance with the requirements of new accounting standards and the treatment of transactions and ensures that acceptable accounting policies are followed. It allows early identification of areas of potential exposure that can be addressed to minimise adverse impact to the Group as well as ensure the adequacy of provisions made in the accounts.

Each subsidiary operating and finance heads are required to review, report and ensure adequate provisioning for project losses, asset impairment, significant long outstanding debtors, significant inter-company balances, contingent liabilities, fraud incidents and any transactions and/or events with material impact or potential material impact on the subsidiary's financial results. These financial impacts (if any) are reported on a quarterly basis to CSE Global Limited and accounted for in the interim accounts of the respective subsidiary.

Each subsidiary are also required to complete the review and certification of financial discipline for revenue recognition, cost recognition, recognition of assets and liabilities, recognition of assets, consolidation and internal controls.

e) Sanctions Compliance Process

CSE is firmly committed to complying with all applicable economic sanctions laws that are legally binding upon the Group and its businesses. Any breach of sanctions may have a serious impact on our reputation, franchise, regulatory relationships and could impair the Group's ability to provide products and services to clients. The Group has therefore established a sanctions policy that may be more stringent than what is permitted by law and regulation.

The Group adopts a policy of not entering into any business or transaction that either directly or indirectly involves or is for the benefit of any sanctioned parties, even where this would be legally permitted.

The Group also prohibits and will not facilitate activity with certain governments or parties within certain geographies that are targeted under the sanctions programs of the United Kingdom, European Union, United States, Singapore or United Nations. The Group neither maintains a presence in these sanctioned geographies nor is it the target of these sanctions' programs. As these are a direct consequence of international relations, the Group's Sanctions Policy and specific prohibitions may change from time to time and thus prevailing prohibitions will be updated periodically.

E. FINANCIAL RISK

FRAUD, MISSTATEMENT OF FINANCIAL STATEMENTS & DISCLOSURES

We continue to maintain a strong emphasis on ensuring financial statements are accurate and presented fairly in accordance with applicable financial reporting standards and framework. Where appropriate, we leverage the expertise of the external auditors in the interpretation of financial reporting standards and changes. Regular external and internal audits are conducted to provide assurance on accuracy of financial statements and adequacy of the control framework supporting the financial statements. We encourage regular training and education programmes to enhance competency of finance managers across the Group.

FINANCIAL MANAGEMENT

The Group operates internationally and is exposed to a variety of financial risks, including currency risk, interest rate risk, credit risk and liquidity risks.

As part of the Group's Enterprise Risk Management framework, Group treasury policies and financial authority limits are documented and reviewed periodically. The policies set out the parameters for management of Group liquidity, counterparty risk, foreign exchange and derivative transactions and financing.

The Group utilises various financial instruments to manage exposures to interest rate and foreign exchange risks arising from operational, financing and investment activities. Transactions such as swaps, options and contracts for difference hedge the Group against fluctuations in the market prices of the underlying instruments. The Group monitors and hedges, where appropriate, its exposure to fluctuations in interest rates and foreign exchange rates. Exposures to foreign currency risks are also hedged naturally where possible.

The financial authority limits seek to limit and mitigate operational risk by setting out the threshold of approvals required for the entry into contractual obligations and investments.

Impact assessment and stress tests are performed to gauge the Group's exposure to changing market situations, allowing for informed decision-making and implementation of prompt mitigating actions. We also regularly monitor the concentration of exposure in the countries where the Group operates.

The Group's principal financial instruments comprise bank loans, finance leases, cash and bank balances. The main purpose of these financial instruments is to finance the Group's operations. All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors resolutions and banking mandates which define the permitted financial instruments and facilities limits, approved by the Board of Directors. All financial transactions require dual signatories. The Group has various other financial assets and liabilities such as trade receivables, trade payables, and lease liabilities which arise directly from its operations.

CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, and contract assets. For other financial assets (including other investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

In respect of credit risk arising from the inability of customers of the Group to make payments when their receivables fall due, it is the Group's policy to provide credit terms to creditworthy and reputable customers. These receivables are monitored on an ongoing basis to ensure that issues arising from non-collectibility are minimised.

Exposure to credit risk

The Group's maximum exposure to credit risk, in the event that the counter-parties to the transactions with the Group fails to perform their obligations at the end of reporting period in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet, and is generally limited to the amounts, if any, by which the counter-parties' obligations exceed the obligations of the Group.

The Group has no significant concentration of credit risk.

LIQUIDITY RISK

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks. At the end of the reporting period, 84% (2023: 83%) of the Group's loans and borrowings (Note 14) of the financial statements will mature in less than one year based on the carrying amount reflected in the financial statements.

As at 31 December 2024, the Group has S$330.5 million of undrawn revolving credit facilities and S$144.2 million of undrawn import loan facilities.

Notwithstanding the headwinds, we continued a disciplined pursuit of new opportunities and revenue streams to safeguard shareholders' interests and the Group's assets. Supported by a robust risk management system, we are able to respond effectively to shifting business demands and seize opportunities that create value for our stakeholders.

CAPITAL STRUCTURE

The Board's policy is to have a strong capital base to maintain the confidence of investors, creditors, bankers and shareholders and to sustain future development of the business. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group leverages on its credit profile and business standing in broadening its financing options to include the capital markets. In order to maintain or achieve an optimal capital structure, the Group may issue new shares and obtain new borrowings. The Group monitors its monthly cash flows and also manages its capital structure based on the Group's net gearing ratio. The net gearing ratio is calculated as net debt divided by the Group's total equity. Net debt is calculated as borrowings less cash and cash equivalents. As of 31 December 2024, the Group has a net gearing ratio of 0.28x (2023: net gearing ratio of 0.35x).

The Board reviews the capital structure on a periodic basis. As part of the review, the Board considers the cost of capital and other sources of funds, including borrowings from banks and equity fund raising options to ensure flexibility and currency-matched financing of short- and long-term assets and reduce effective interest cost over the longer term. There were no changes in the Group's approach to capital management during the financial year.

PROACTIVE RISK MANAGEMENT

We remain vigilant against emerging threats that may affect our different businesses. Through close collaboration with stakeholders, we will continue to review our risk management system to ensure that it remains adequate and effective.

	OUR RISKS
STRATEGIC RISKS	Market and competition Management of growth Acquisitions and Divestments Human Resources Climate-related
OPERATIONAL RISKS	Project Management Health, Safety & Environment Supply Chain Management Business Continuity
TECHNOLOGY RISKS	Information Technology & Cyber Security
COMPLIANCE RISKS	Laws, Regulations & Compliance Corporate Governance – Policies and Procedures
FINANCIAL RISKS	Fraud, Misstatement of financial statements & disclosures Financial Management - Credit - Liquidity - Capital structure

DEEPENING COMMITMENT FOR A SUSTAINABLE WORLD

CSE Global remains steadfast in its commitment to giving back to communities while pursuing business objectives. Through increasing efficiency in our resource allocation, we seek to reduce our environment footprint. We also endeavour to champion good corporate social responsibility and empower the underprivileged groups, while enriching communities through staff volunteerism.

2024 SUSTAINABILITY REPORT

CSE Global Limited ("CSE") is a global technologies company listed on the Singapore Stock Exchange, with an international presence spanning across Americas, Asia Pacific, Europe, Middle East and Africa regions.

1. INTRODUCTION

1.1 ABOUT CSE GLOBAL

CSE Global is a leading systems integrator providing electrification, communications and automation solutions across various industries globally.

At CSE Global, we pride ourselves as a trusted, lifelong partner to our customers who always has their interests at heart. Leveraging our engineering experience, technology and diverse skill sets across our global network, we design and build customised, integrated systems for our clients that solve their problems.

Our integrated systems – from electrification to communications or automation systems – sit at the heart of every infrastructure and are mission-critical in nature. With highly attuned engineering capabilities at our core, we have successfully delivered complex, large-scale projects amidst the most challenging conditions. Our technologies are designed to reduce waste, allow for greener, smarter processes and are built to last.

Listed on the Singapore Exchange since 1999 and with our presence across 15 countries, 61 offices, and more than 2,000 employees across the globe, we enjoy long-standing relationships with a sizeable customer base comprising large government organisations and renowned brands.

Over the years, we have built a workplace culture and management style that is people-centric, supportive and collaborative with employee well-being and people improvement as our key focus. Our passion for our work has resulted in a consistent profit track record for the past three decades, as we continue to pursue operational excellence to achieve sustainable growth and enhanced shareholder returns. Reflecting our global ambitions, we have adopted the ISO 9001 Quality Management System as certified by Lloyd's Register Quality Assurance ("LRQA") and DNV.

1.2 VISION AND MISSION

We believe it is our responsibility to manage the Group successfully on a sustainable long-term basis. We are committed to deliver greater value and returns to our shareholders, business partners and employees.

Our employees operate according to a set of core values that guide all aspects of our business. We recognise that cooperation, communication, and trust are essential for us to collaborate to compete, and that care and concern through respect, patience, empathy, and consideration are essential, both between each other and among the communities in which we operate.

2024 SUSTAINABILITY REPORT

2. BOARD STATEMENT

Dear Stakeholders,

We are pleased to present CSE Global Limited ("CSE" or the "Company") and its subsidiaries' (together as the "Group") annual sustainability report for the financial year ended 31 December 2024 ("FY2024").

This year, the world experienced record-breaking temperatures and an increase in extreme weather events. These climate challenges highlight the urgent need for decisive action, reinforcing our commitment to climate resilience and sustainability. At CSE, we recognize the critical role we play in driving meaningful change and accelerating climate action across our operations.

We continue to place a strong focus on sustainability as a core part of our corporate strategy as it is our belief that building a sustainable business is fundamental to our continued success. The Board oversees the management and monitors sustainability governance, operations and material sustainability matters relating to our business. We strive to continuously deliver positive ESG outcomes to our stakeholders and achieve long-term economic value.

Throughout the year, we strengthened our ESG initiatives, taking meaningful steps toward building a more sustainable business. This marks our third year of aligning with the Task Force on Climate-related Financial Disclosures ("TCFD") framework, and we are committed to further enhancing our climate-related disclosures to meet the International Sustainability Standards Board ("ISSB") standards, as required by SGX.

We continue to take a proactive approach to managing our environmental footprint and improving energy efficiency. Despite our business expansion, we successfully reduced our Scope 1 and 2 emission index by 12% compared to FY2023.

Guided by the principles laid out in our Corporate Sustainability Policy and Environmental Policy, we continue to advance our sustainability efforts and work towards building a sustainable business. We believe that it is our responsibility to ensure sustainable practices are embedded throughout our supply chain. As global calls for climate action grow, we are determined to continue to push new boundaries in areas of ESG and work closely with stakeholders to build a more sustainable and resilient future.

On behalf of the Board of Directors,

LIM BOON KHENG
Group Chief Executive Officer

3. ABOUT THIS REPORT

This report reaffirms our commitment to sustainability and is designed to provide an overview of our approach, priorities, targets and performance for ESG matters which are material to our business and stakeholders.

No restatements were made from the previous report except for a revision of targets set and a change in baseline year from FY2020 to FY2023, since we have met the targets set for 2030 in FY2023. We retained key methodologies on our stakeholder engagement and materiality assessment to provide context on our ambitions and actions that have not changed.

The information in this report should be read in conjunction with our Annual Report, which can be found at https://cseglobal.listedcompany.com/ar.html

3.1 REPORT SCOPE

The scope of this report covers the consolidated entities across America, United Kingdom, Australia, New Zealand and Singapore, with annual revenues exceeding 89% of total group revenue for FY2024. Unless otherwise stated, this report covers all information in relation to sustainability performance practices aligned to the Group's financial reporting period from 1 January 2024 to 31 December 2024 ("FY2024").

As our sustainability reporting matures, we have plans to progressively include more global operations as part of the reporting scope in future years.

3.2 REPORT FRAMEWORK

This report has been prepared in accordance with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard Listing Rules (711A and 711B) and with reference to the Global Reporting Initiative ("GRI") Standards 2021. The GRI Standards were chosen for their comprehensive guidance that allows us to communicate our sustainability performance and impact clearly. The standards serve as an international reference for the disclosure of governance approach, environmental, social, and economic performance. Please refer to the GRI Content Index in Appendix of this report for further information relating to the GRI disclosures referenced in this report.

In view of SGX's enhanced listing rules which require climate reporting, we have aligned our climate-related disclosures with the recommendations of Task Force on Climate-related Financial Disclosures ("TCFD"), which defines our approach across four key areas of governance, strategy, risk management, metrics and targets.

As part of our commitment to regulatory compliance and transparency, we are preparing to enhance our climate-related disclosures in line with the International Sustainability Standards Board ("ISSB:") standards next year, as required by SGX. This initiative will strengthen our sustainability reporting framework alignment while providing stakeholders with deeper insights into CSE's resilience against climate-related risks and opportunities.

Additionally, being a strong supporter of international initiatives, disclosures within this report continues to reference the United Nations Sustainable Development Goals ("UN SDGs") and United Nations Global Compact ("UNGC").

3.3 REPORT CONTACT AND FEEDBACK

All disclosures are prepared in good faith to the best of our knowledge. CSE has sought an internal review of the FY2024 sustainability report. No external assurance has been conducted.

We welcome feedback and queries from all stakeholders through the following channels:

In writing to:
Investor Relations
CSE GLOBAL LIMITED
202 Bedok South Avenue 1
#01-21
Singapore 469332

Via our IR contact at https://cseglobal.listedcompany.com/

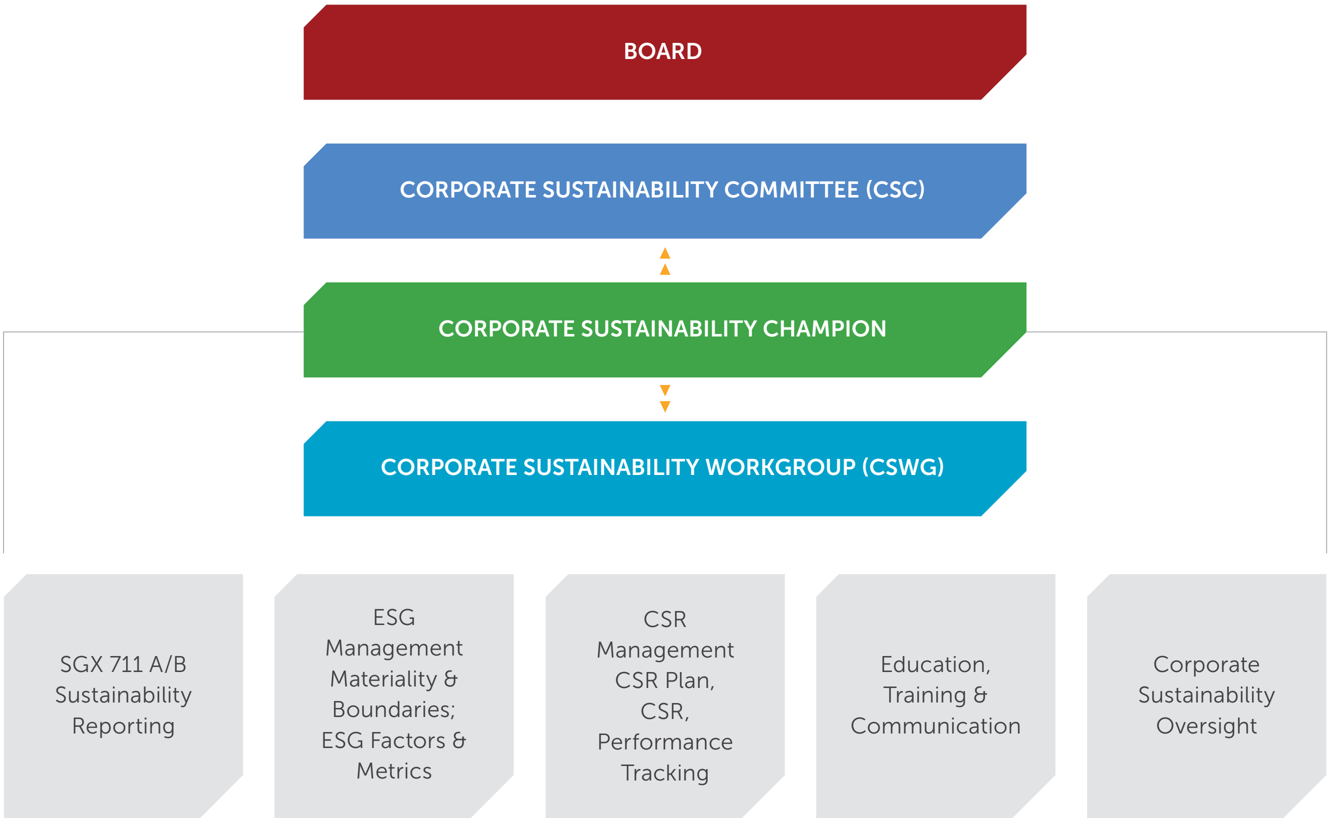
As part of our commitment to minimising our environmental impact, limited number of physical copies of the report were printed and no physical copies were distributed to shareholders except upon specific request by shareholders. This report is available for download on our corporate sustainability website: https://cseglobal.listedcompany.com/sr.html

2024 SUSTAINABILITY REPORT

4. INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

We recognise that sustainability is a key-driver of long-term success, and must be integrated into our business. This alignment ensures that our business strategy and operations supports our vision of building a conducive and sustainable future.

4.1 SUSTAINABILITY GOVERNANCE



CSE's sustainability governance structure spans across all business functions and levels of seniority, embedding sustainability at both strategic and operational levels.

Our Board of Directors ("the Board") oversees all sustainability strategies, risk management, and reporting process, including climate-related risks and opportunities. The Board reviews and approves CSE's material ESG topics.

The Corporate Sustainability Committee ("CSC"), is chaired by our Group Chief Executive Officer, support the Board to integrate sustainability and climate-related risks into CSE's business strategies. The CSC provides leadership over corporate sustainability matters such as Corporate Social Responsibility ("CSR") plans, community investment, and environmental initiatives.

Our Corporate Sustainability Champion, a subject matter expert in sustainability proactively raises awareness through education and training across the organisation.

Through the Corporate Sustainability Work Group ("CSWG"), our Champion collaborates with businesses and across functions in collectively executing the CSR plan, identifying, and managing material ESG factors as well as engaging sustainability stakeholders. Businesses and functions ensure accountability by providing back-to-back assurance over the quality of information for sustainability reporting.

We are committed to strengthening sustainability governance by fostering transparency and alignment across all governance levels. To achieve this, we are developing a policy on sustainability reporting procedures, ensuring consistency with evolving reporting standards and industry best practices.

4.2 STAKEHOLDER ENGAGEMENT

Stakeholders play a vital role in influencing our business decisions and long-term sustainability. By engaging with stakeholders throughout the year, we ensure open communication on our CSR policies and initiatives while gathering valuable feedback. This continuous exchange helps us assess our progress, address key concerns, and identify opportunities for improvement.

Stakeholders	Significance of stakeholders to us	Purpose of Engagement	Policy and procedure to address stakeholders' concerns
Future generation	Our sustainability agenda for the environment and future generation is embedded into the day-to-day business activities among our staff. We continuously improve from a holistic perspective through the company's culture and practices. Within the big picture of sustainability, we take steps to focus on key goals such as curbing global warming and conserving resources. Tackling such areas are crucial to maintain a sustainable economic ecosystem for our customers which is key to our business sustainability.	• Environmental education of our employees and customers • Reduction of carbon emissions • Energy consumption	• Environmental policy • Waste management system • ISO 14001 Environmental management systems certification
Employee	An ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally.	• Employee well-being through workplace health & safety and work life balance • Regular training of employees on critical skillsets to sustain competitiveness • Competitive compensation scheme to retain talents • Non-discrimination, diversity and equality • Senior management engagement with employees	• Code of Conduct • Fair employment practices • Training and career development • Flexible Work Policy • Pension Scheme • WHS framework • OHSAA 18001: Occupational Health & Safety certification • BizSafe certification
Customer	The quality and safety of our services and products to our customers are the core focus of our commitment. Through our quality and safety commitments to our customer, we will, in turn, be contributing to our own successful sustainable development.	• Safety of our customers in our services delivery • Customer data privacy • Customer satisfaction and customer-centric approach	• Customer Relationship Management Policies • Policies on Quality Assurance • Data Security for Customer Information • Privacy policy ISO 9001 Quality management systems

2024 SUSTAINABILITY REPORT

Stakeholders	Significance of stakeholders to us	Purpose of Engagement	Policy and procedure to address stakeholders' concerns
Supplier	To implement our sustainability agenda effectively and meaningfully, it is important that our suppliers and partners share our values in our business practices in the areas such as the environment, human rights, labour practices and corporate ethics. Such alignment of values is a crucial part of building mutually beneficial relations with supplier and channel partners to enhance both our own competitiveness and that of our partners'.	• Environmental, labour and human rights impact in the supply chain	• Supplier Selection and Regular Review Process
Community	As we transition towards high value-added business areas, attracting and retaining skilled talent is critical to our long-term sustainability. Our community engagement efforts prioritise youth education and targeted local support through donations, sponsorships, fundraising and volunteer initiatives.	• Impact on communities and local economies, and future generation education • Economic value generated and distributed to local community	• Selection of Community Initiatives in Alignment with Organisation Goals

4.3 MATERIALITY ASSESSMENT

A materiality assessment is crucial in identifying the ESG issues most relevant to our business and stakeholders. CSE employs a structured approach to assessing and prioritising ESG topics with the most significant impacts on the environment, society, and key stakeholders. This approach consists of four steps: identifying preliminary material topics, conducting stakeholder engagement, prioritising material topics, and approving material topics by the Board.

Our most recent materiality assessment was conducted in FY2023, re-evaluating the relevance of our ESG focus areas and ensuring our stakeholders' concerns were being addressed. This process allowed us to refine our sustainability targets and prioritise the most relevant ESG issues for our business and stakeholders.

In FY2024, we performed an internal materiality review and concluded that the list of material topics remained relevant to our business. The following table below highlights our key focus area and respective material topics in FY2024.

Key focus area	Material topics
Protecting our environment for future generations	• Climate resilience • Reduction of carbon footprint
Caring for our employees	• Employee well-being • Workplace health and safety • Future-ready work
Focusing on our customers' needs	• Customer feedback and satisfaction • Service quality and safety • Data security and privacy
Partnering our suppliers	• Supply chain management
Supporting our community	• Local communities
Corporate governance	• Ethics and compliance • Economic performance

5. ALIGNING WITH INTERNATIONAL INITIATIVES

5.1 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("UN SDGS")

The UN SDGs provide a global framework for addressing sustainability challenges and advancing long-term development to achieve a more sustainable future for all. CSE Global's effort to ensure that sustainability is embedded into our key business operations is reflected through our alignment with 4 SDGs.

We are committed to taking action to advance sustainable development and have refined our activities' alignment to the SDGs as shown below:

SDG	Relevant SDG target to our business	Our commitment to the SDG
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship.	We prioritise employee learning and development, offering opportunities for upskilling and reskilling to keep our workforce skilled and motivated. This commitment is crucial for business growth. On top of employee training, we conduct regular goal setting and performance reviews to align employee strengths with job specifications.
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	7.3: By 2030, double the global rate of improvement in energy efficiency.	CSE Global has internal processes and environmental policies to manage and reduce our electricity and fuel consumption. Our approach to mitigating climate change includes staff training and implementing energy-efficient measures whenever practical and appropriate. We monitor and report our GHG emissions and set reduction targets.
SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all	8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	We have zero-tolerance towards any form of discrimination and harassment as well as modern slavery at work. We also ensure fair employment practices and have provided our Code of Conduct outlining expectations against non-discrimination to all our employees. We adopt a risk-based approach towards mitigating potential health hazards and have in place a hazard identification and risk management procedures to create a safe working environment for our employees.
SDG 12: Ensure sustainable consumption and production patterns	12.2: By 2030, achieve the sustainable management and efficient use of natural resources.	CSE Global adopts responsible resource management practices to minimise environmental impact. Our internal policies focus on reducing energy use and optimising fuel efficiency across operations. Through monitoring, reporting, and setting reduction targets, we ensure accountability and drive sustainable consumption patterns that align with long-term environmental goals.

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5.2 UNITED NATIONS GLOBAL COMPACT ("UNGC")

The UNGC establishes a framework of principle-based commitments centred around four areas: Human Rights, Labour, Environment and Anti-Corruption. It serves as a catalyst for businesses globally to embrace sustainable, socially responsible policies and transparently report their progress. In line with the UNGC, we uphold responsible business practices in these four domains and have structured our disclosures to reflect these principles. By aligning our sustainability reporting with the UNGC, we ensure that our commitments are not only stated but also demonstrated through actionable data and initiatives.

Principle	Report section reference
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	7.2.5
Principle 2: Make sure that they are not complicit in human rights abuses.	7.2.5
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	7.2
Principle 4: Elimination of all forms of forced and compulsory labour.	7.2.5
Principle 5: Effective abolition of child labour.	7.2.5
Principle 6: Elimination of discrimination in respect of employment and occupation.	7.2
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	6.2, 6.3
Principle 8: Undertake initiatives to promote greater environmental responsibility.	6.2, 6.3
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	6.2.2
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	11.2

6. PROTECTING OUR ENVIRONMENT FOR FUTURE GENERATIONS

6.1 OUR APPROACH

The World Economic Forum Global Risks Report 2024[1] ranked extreme weather events and critical change to earth's systems within the top three long-term threats to the Earth's systems. This underscores the urgency for businesses to accelerate climate action and transition to a lower-carbon economy. To drive positive outcomes for the environment, we adhere to comprehensive environmental policies (e.g., green procurement guidelines and environmental and sustainability policy) alongside recognised standards (e.g., ISO 14001). By leveraging these frameworks, we aim to reduce the environmental footprint of our products and services whilst continually seeking innovative solutions.

6.2 CLIMATE RESILIENCE (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)

Understanding the profound impact climate change can have on our operations, we have proactively integrated climate-related risks into our business strategy. Since FY2022, CSE has adopted the recommendations of the TCFD framework. This has enabled us to better position ourselves to manage identified climate-related risks and capitalise on climate-related opportunities to strengthen our business resilience.

The following section outlines our climate-related disclosures in the four key areas: governance, strategy, risk management, and metric and targets. As we progress toward ISSB-aligned climate reporting, we remain committed to enhancing our climate-related disclosures in forthcoming reports.

6.2.1 GOVERNANCE

Our governance around climate-related risks and opportunities.

CSE Group is committed to fostering an effective governance structure that aligns our operations with sustainability objectives, thus driving positive, long-term impact. Guided by our Group's purpose and sustainability framework, the Board maintains oversight of all climate-related risks and opportunities.

Climate-related issues are an integral part of our business plans and diversification strategy. The Board regularly engages with management in discussions on the topic of climate-related risks and opportunities, such as embarking on renewable energy projects. The Board also reviews and monitors targets on an annual basis to ensure they are on track.

In compliance with SGX's requirements, our directors have completed mandatory sustainability training. Our Board of Directors have attended sustainability training courses on ESG Essentials and Sustainability for Directors offered by the Singapore Institute of Directors.

1 The Global Risks Report 2024, https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf

2024 SUSTAINABILITY REPORT

6.2.2 STRATEGY

The actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning.

In FY2022, we worked with an external consultant and conducted our first climate assessment to identify our preliminary climate-related risks (chronic and acute) that may impact our operations across our portfolio, in Singapore, Australia, New Zealand, the United Kingdom and the United States. This included an analysis of current and upcoming trends specific to the technology industry and regulations specific to the location of our operations. This assessment also considered discussions with internal stakeholders to better inform our strategy.

The following table summarises our climate-related risks across the short- (1-2 years), medium- (3-4 years) and long-term (5 years and above) as well as its potential impact on our business.

	Identified climate-related risk	Likelihood of climate-related risk				Impact of climate-related risk
		SG	ANZ	UK	USA	
Physical risks	Hurricane	Risk not identified	Medium-term	Short-term	Short-term	• Reduced revenue due to potential risks of supplier, logistics and network disruption • Increased operating costs from volatile fossil fuel prices or increase in energy consumption • Weakened investor confidence for not shifting towards the adoption of greener products
	Wildfires	Risk not identified	Short-term	Short-term	Risk not identified	
	Droughts	Long-term	Medium-term	Short-term	Long-term	
	Floods	Long-term	Short-term	Short-term	Medium-term	
	Extreme heat	Medium-term	Medium-term	Short-term	Medium-term	
	Changes to precipitation pattern	Long-term	Short-term	Short-term	Medium-term	
Transition risks	More stringent carbon tax	Long-term	Medium-term	Medium-term	Medium-term	
	Increased cost of raw materials	Short-term	Medium-term	Medium-term	Medium-term	
	Customer's preference for greener products	Long-term	Medium-term	Long-term	Short-term	
	Increased stakeholder concern	Medium-term	Medium-term	Long-term	Risk not identified	
	Increase in digitalization and technology	Long-term	Medium-term	Medium-term	Medium-term	
	Additional costs from reporting requirement	Short-term	Long-term	Medium-term	Short-term	

Legend: Short-term Medium-term Long-term Risk not identified

We have also identified opportunities across the short- and medium-term in the areas of:

- Investing in green technology such as energy-efficient electronic equipment, LED lighting and solar power
- Conducting flood and heat risk assessments on existing properties
- Ensuring all products meet industry standards through certifications
- Including climate criteria as part of the annual supplier review

In FY2024, CSE Global continued to leverage the Sustainability-Linked Loan (SLL) secured in FY2023, reinforcing our commitment to integrating sustainability into our financial strategy. Over the past year, we have been monitoring our sustainability performance, especially GHG emissions index, to align with the incentives of the SLL.

6.2.3 RISK MANAGEMENT

The processes used by us to identify, assess, and manage climate-related risks.

CSE Global has established an Enterprise Risk Management ("ERM") which systematically manages and mitigates risks across our operations. This framework outlines governance structures, policies, and processes to assess risk exposure, enabling the Board to evaluate the effectiveness of risk management strategies. Recognising the growing materiality of climate-related risks, we will consider how to progressively integrate climate risk considerations into our ERM framework.

6.2.4 METRICS AND TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

To assess climate-related risks and opportunities, CSE Global currently discloses energy consumption, Scope 1 and Scope 2 emissions, and paper consumption. Previous years' data is available in past sustainability reports. We also have developed the following targets to manage our identified climate-related risks and opportunities and track our progress:

- Reduce Scope 1 and 2 emission index[2] by 7% by FY2030 (Base year: FY2023)
- Reduce Scope 1 and 2 emission index by 1% by FY2025
- Reduce paper consumption index[3] by 7% by FY2030 (Base year: FY2023)
- Reduce paper consumption index by 1% by FY2025

Please refer to section 6.3 of this report for an overview of our environmental performance.

6.2.5 OUR CLIMATE REPORTING JOURNEY AHEAD

This marks our third year reporting climate-related disclosures in alignment with the TCFD framework. To bolster the Group's climate resilience, we are enhancing our understanding of climate risk exposure, refining our risk management process, and progressively embedding climate-related risks and opportunities into our business strategies. In support of this effort, we plan to conduct a scenario analysis in the coming year to assess the potential implications of climate-related risks on our business, enabling us to prioritise key risks and opportunities effectively. In addition, we are considering integrating climate-related risks into our Enterprise Risk Framework and overall risk management process.

6.3 REDUCTION OF CARBON FOOTPRINT

6.3.1 ENERGY AND GREENHOUSE GAS EMISSIONS

As CSE Global continues its growth trajectory, the importance of sustainability and corporate governance remains instilled within the Group. Aligned with the Singapore Green Plan positioning Singapore to achieve its 2050 net zero emissions goal, we are committed to contributing to Singapore's national agenda on sustainable development and net-zero ambitions.

At CSE, we employ two main sources of energy consumption for our operations. Our vehicle fleet which predominantly runs on diesel and petrol, alongside electricity usage across our office premises, warehouses, and integration centres. We are dedicated to reducing our energy consumption across all operational processes to ultimately mitigate our carbon footprint whilst negating detrimental environmental impacts alongside resulting in cost savings and overall improvements in economic performance.

We actively seek to minimise our carbon footprint and reduce energy consumption through a two-pronged approach. We have implemented motion senor lighting, energy efficient bulbs, and perform routine energy performance assessments across our facilities to improve energy efficiency. To enhance this effort, we also promote employee awareness of energy conservation. To offset carbon emissions by contributing to reforestation efforts and improving biodiversity, a donation was made by our Australian operations towards the planting of 350 trees in 2024. Additionally, we are phasing in electric vehicles ("EVs") as part of our commitment to reduce our carbon footprint and transition to cleaner energy sources.

While reducing environmental impact, these initiatives also contribute to operational cost savings and long-term business resilience. We recognise the need to minimise our environmental footprint and seek to achieve resource efficiency. In the same vein, managing and monitoring our carbon footprint can raise our brand profile, enabling us to gain a competitive advantage by being an environmental champion in our industry, while reducing operating costs.

FY2024 Targets	Our Progress	FY2025 Targets
Reduce Scope 1 and 2 emission index by 1% by FY2024	Target achieved	Reduce Scope 1 and 2 emission index by 1% by FY2025

2 Scope 1 and 2 emission index is calculated as total Scope 1 and 2 GHG emissions in metric tonnes of CO^2 emissions divided by total revenue in millions of Singapore dollars.

3 Paper consumption index is calculated as total paper consumption in kilogrammes divided by total revenue in millions of Singapore dollars.

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In FY2024, we consumed a total of 6,346,729 kWh of electricity, a 9% increase from past reporting. Our electricity consumption index reduced by 8% from 8,029 kWh/SGD million to 7,370 kWh/SGD million.

	FY2023	FY2024
Electricity consumed (kWh)	5,821,246	6,346,729
Electricity consumption index (kWh / SGD million)	8,029	7,370

We prepare our GHG inventory in accordance with the GHG Protocol, adhering to internationally recognised standards for GHG accounting. In FY2024, our total Scope 1 and 2 emissions reached 4,859 tCO_2e, a 4% increase from the prior year, driven by expanded operations and business growth. However, our Scope 1 and 2 emission index decreased by 12%, from 6.4 tCO_2e/SGD million to 5.6 tCO_2e/SGD million, reflecting enhanced operational efficiency and increased revenue relative to emissions.

GHG Emissions	FY2023	FY2024
Scope 1 emissions (tCO_2e)	2,298	2,472
Scope 2 emissions (tCO_2e)	2,363	2,387
Total emissions (tCO_2e)	4,662	4,859
GHG emission index (tCO_2e / SGD million)	6.4	5.6

Compared with our 2023 baseline, we have already met our original target of reducing our gas carbon emission index by 7%.

We will continue to implement energy-efficient solutions at our operations and strive to continue managing our carbon footprint and improving energy efficiency in the years ahead. We are also dedicated to enhancing our understanding of our carbon footprint across the value chain.

6.3.2 PAPER CONSUMPTION

Managing paper consumption is important to CSE as part of our efforts to reduce waste and improve resource efficiency. By minimising paper use and encouraging a digital-first approach, we aim to lower our environmental impact while promoting more sustainable workplace practices.

We seek to minimise paper wastage at our operations and have established an Internal Paper Reduction Guideline which is adhered to by all of our employees. The guidelines provide guidance for how our employees can reduce the use of paper such as the use of double-sided printing and using blank sides of single-sided copies to print drafts. To further reduce paper waste generated, we inculcate paper re-use and recycling habits among our employees, and we also promote a digital-first approach to document management.

To ensure that we consumed paper that are eco-friendly and sourced from responsibly managed plantations, 100% of paper used across our operations are either Forest Stewardship Council ("FSC") certified or made from KHAN-NA. In FY2024, we consumed a total of 7,583 kg of paper, a 12% increase compared to prior reporting year, and our paper consumption index stands at 8.8 kg/SGD million. With our paper consumption index decreasing by 5% as compared to FY2023, we have met our FY2024 target of reducing our paper consumption index by 1% annually, and have already met our original target set for 2030.

Paper Consumption	FY2023	FY2024
Paper consumed (kg)	6,764	7,583
Percentage of paper consumed with FSC certification	100%	100%
Paper consumption index (kg / SGD million)	9.3	8.8

While we have already met our original 2030 target for paper consumption reduction, we remain committed to enhancing resource efficiency across our operations and will explore new ways to minimise paper consumption.

7. CARING FOR OUR EMPLOYEES

7.1 OUR APPROACH

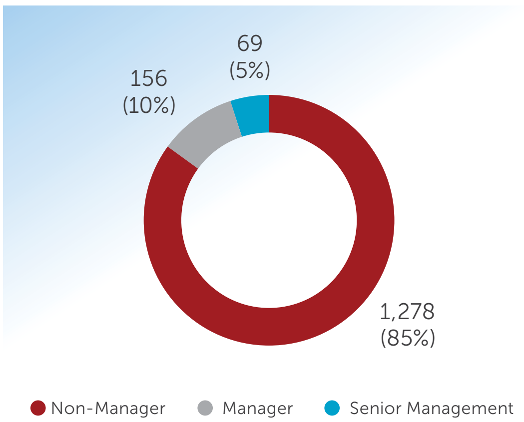
We believe our people are our most valuable asset, and fostering a diverse, engaged workforce while prioritizing well-being is key to our long-term success. We are dedicated to cultivating an inclusive workplace where every employee feels safe, valued, and supported. We are internally assessing targets to strengthen our commitment to a positive work environment and the health and safety of our employees.

7.2 EMPLOYEE WELL-BEING

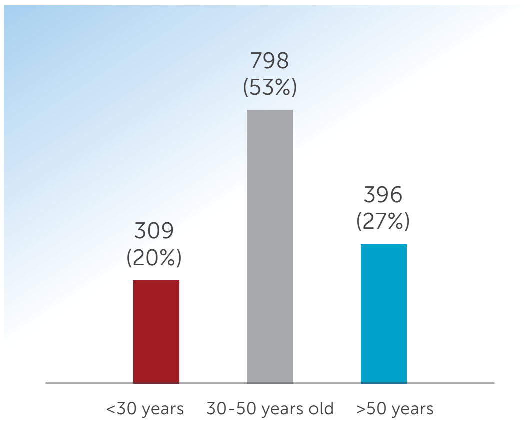
7.2.1 PROFILE OF OUR WORKFORCE

As of 31 December 2024, we employed a total of 1,503 employees, of which 83% are males and 17% are female. The majority are between 30 to 50 years of age.

Breakdown of employees by employee status



Breakdown of employees by age group



Given the nature of our industry, our workforce is predominantly male. However, we remain committed to empowering women across our operations and supporting their career growth.

	FY2023	FY2024
Ratio of male to female in non-managerial positions	964 : 188	1,069 : 209
Ratio of male to female in managerial positions	236 : 50	181 : 44

During the year, we recorded 371 new hires and 339 resignations, resulting in a new hire and turnover rate of 20% and 18% respectively.

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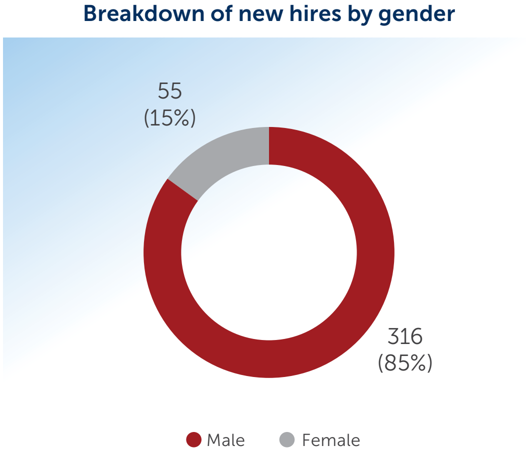
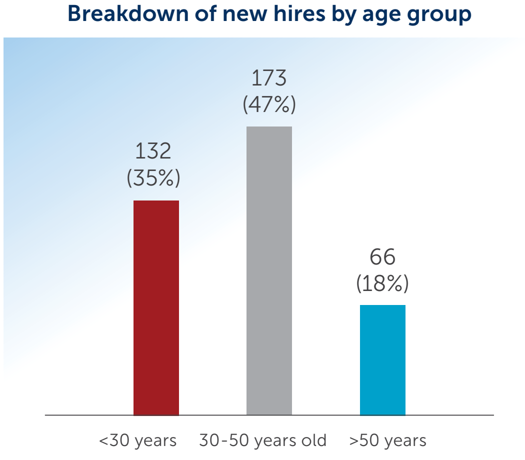
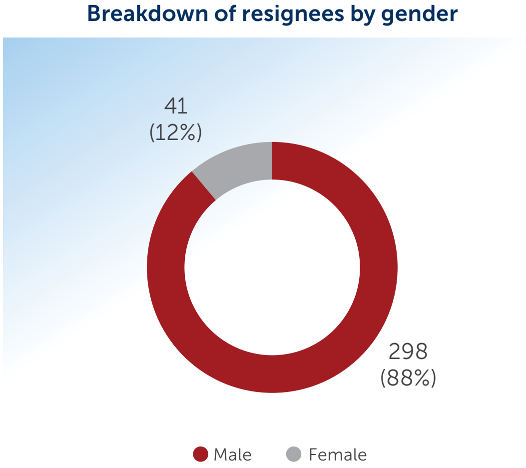
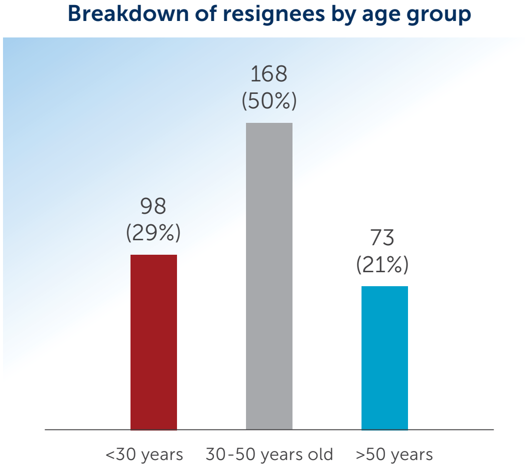
New hires





Resignees



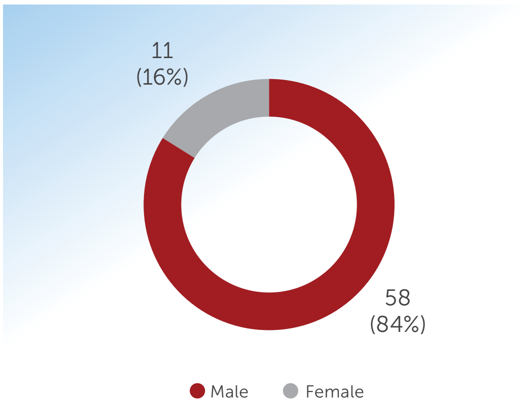


Additionally, we engage external contracted companies for outsourced personnel who work at our operations. Although we supervise these personnel, they are not included as part of our headcount as they are employed by the contracted companies respectively. However, we ensure that contracted companies we work with share our core Human Resource ("HR") management practices.

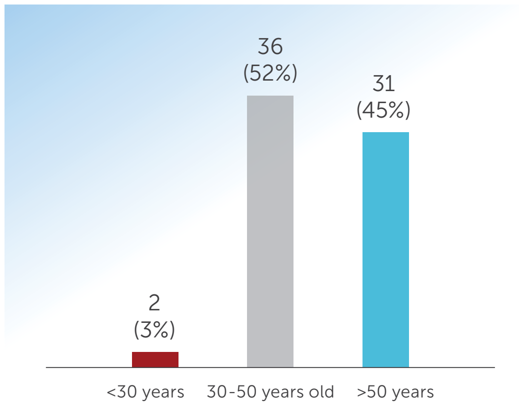
We value diversity in the composition of our employees and believe diversity is imperative in helping our business achieve greater heights through the different perspectives, skills and experience each individual has. Our operations are guided by the Diversity and Inclusion Policy and Equal Opportunities Policy, which set out the guiding principles and practices in developing and maintaining a diverse and inclusive workplace. Our employees come from a diverse range of backgrounds and age groups. The following table provides a breakdown of each employee category by gender and age group:

Senior Management

Breakdown of senior management by gender

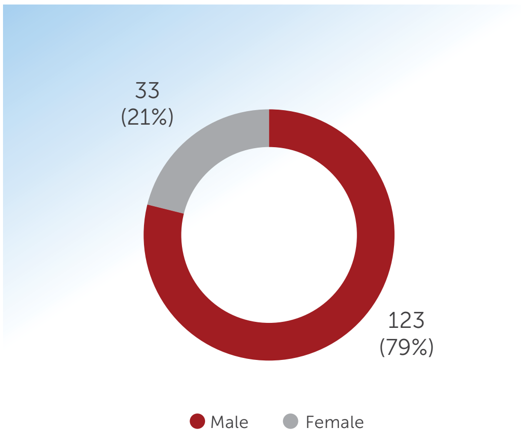


Breakdown of senior management by age

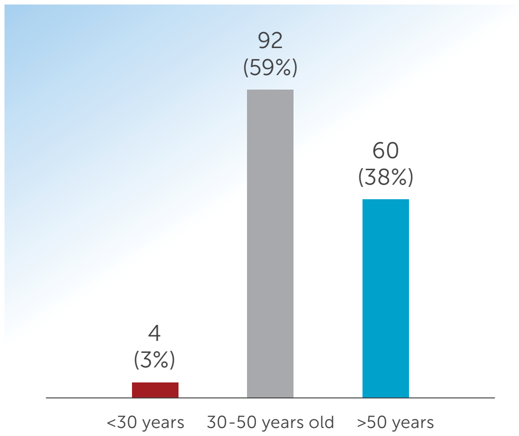


Managerial Staff

Breakdown of managerial staff by gender

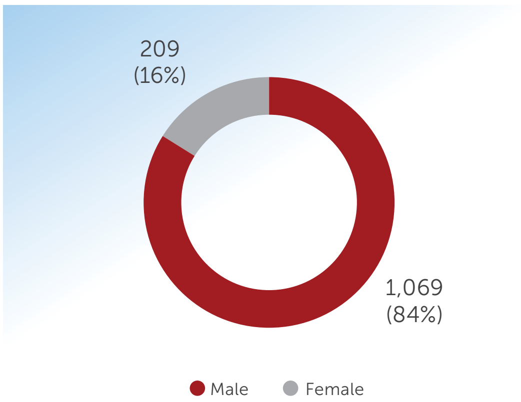


Breakdown of managerial staff by age

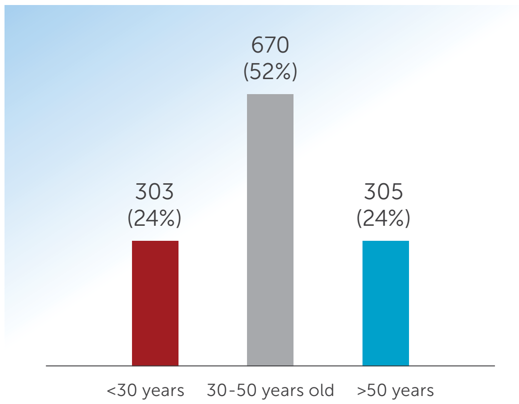


Non-managerial staff

Breakdown of non-managerial staff by gender



Breakdown of non-managerial staff by age



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7.2.2 FAIR EMPLOYMENT PRACTICES

To attract and retain talent, we uphold fair employment practices guided by our HR management principles, policies, and Recruitment Procedure. These cover key areas such as remuneration, benefits, health and safety, career development, and training. As our business operations span different geographic locations and comprise employees from a diverse range of backgrounds, the HR policies implemented consider prevailing laws and regulations as well as local culture, norms, and racial sensitivity of each location. For example, our Singapore office is guided by the Tripartite Guidelines on Fair Employment Practices ("TGFEP"), which outlines fair and merit-based employment practices which must be adhered to. In FY2024, zero cases of discrimination were reported.

All HR policies are communicated to our employees annually through our Employee Handbook, which is regularly reviewed by our Management. Additionally, we also gather feedback from our employees to ensure that concerns are addressed effectively.

7.2.3 EMPLOYEE ENGAGEMENT AND FEEDBACK

We engage employees through targeted communication sessions tailored to different roles to ensure our employees understand CSE Global's objectives and purpose. We establish employee objective setting, performance reviews as well as exit interviews in the case of resignations, to better understand the concerns of our employees and gather feedback, which aids in the improvement of overall management and operation of the organisation.

Additionally, our employees have access to dedicated feedback channels for health and safety, and compliance issues, overseen by functional leaders. Our leaders and managers of the specific business and function have oversight of the feedback channels. Additionally, a reporting and escalation channel has also been established for any feedback which requires the attention of higher management.

7.2.4 EMPLOYEE BENEFITS AND WELL-BEING

Benefits such as parental leave and compassion leaves are provided to our employees in addition to the statutory benefits outlined by the respective local statutory manpower legislation for countries we have operations in.

Our HR policies align with local pension and healthcare laws. For example, in Singapore we participate in the Central Provident Fund ("CPF") personal savings scheme, a compulsory comprehensive savings and pension plan for working Singaporeans and permanent residents to fund retirement, healthcare needs, and home ownership.

We prioritise the well-being of our employees, and view our productive, engaged, and healthy workforce as one of the biggest contributing factors to the success of our businesses. We adopt flexible work arrangements and offer our employees various programmes to promote health and wellness. For example, our operations in Australia have implemented a Wellbeing Strategy to increase staff engagement as well as mental and physical well-being of our employees. This includes the implementation of initiatives such as excellence awards, monthly well-being workshops and complimentary fresh fruits available at all offices.

7.2.5 HUMAN RIGHTS

We strive to safeguard the rights of the people and communities in the countries where we operate, maintaining a zero-tolerance stance against any form of discrimination and harassment and modern slavery in the workplace. This commitment is embedded in our Code of Conduct, Anti-Slavery Policy, and Modern Slavery and Human Rights Framework, which prohibit discrimination, harassment, forced and child labour, and protect privacy.

In FY2024, we recorded zero incidents of forced labor, child labor, young worker exploitation, or human rights-related grievances. We also uphold our employees' freedom of association, supporting their right to join trade unions and professional organisations.

7.3 WORKPLACE HEALTH AND SAFETY

The health and safety of our employees is our top priority, and we are committed to the highest standard of workplace health and safety ("WSH") to ensure all our employees feel safe at the workplace. We seek to inculcate a culture of safety at the workplace and take extra precautions to prevent any form of injuries among our employees. CSE Global complies with the respective local WSH regulations, and have attained certifications for ISO 45001 Occupational health and safety management systems and BizSafe across global operations, which reflects our commitment to ensuring that proper measures are in place to manage risks. We also invest in safety trainings to ensure employees are equipped with the necessary safety knowledge, skills and capabilities.

In FY2024, we recorded zero fatalities, zero high consequence work-related injuries and thirteen recordable work-related injuries.

	Number of fatalities	Rate of fatalities	Number of high-consequence work-related injuries	Rate of high-consequence work-related injuries	Number of recordable work-related injuries
FY2023	0	0%	0	0%	10
FY2024	0	0%	0	0%	13

We adopt a risk-based approach to mitigate potential health hazards and have in place a hazard identification and risk management procedure. The procedure describes the processes for identifying health and safety hazards, and includes identifying environmental aspects, conducting risk assessment activities, and controlling the risks posed from these safety hazards and environmental aspects. We remain committed to safeguarding the safety of our employees and creating a safe working environment for all employees.

7.4 FUTURE-READY WORK

7.4.1 TRAINING DEVELOPMENT

We invest in the learning and development of our employees and provide opportunities for our employees to upskill, reskill and be equipped with the latest industry knowledge. This is critical to maintaining a competitive, skilled, and motivated workforce which can contribute to the growth of the business.

All employees participate in mandatory training within our core curriculum, designed in accordance with globally recognised standards, including ISO 9001 Quality management systems, ISO 14001 Environmental management systems, ISO 45001 Occupational health and safety management systems and BizSafe.

We conduct training needs analyses to ensure employees receive diverse training across sectors, encompassing soft skills like communication and leadership, as well as technical skills such as project management and office productivity tools. Tailored curricula are also developed to meet the unique requirements of each business unit and function.

In FY2024, each employee received an average of nine hours of training and partook in trainings relating to workplace safety, information and technology and business development.

	FY2023	FY2024
Average training hours per employee	5	9

We will continuously revise our training curriculum and programme to align with our objectives and ensure training provided enables our employees to have the right skills and knowledge in this ever-changing business environment.

7.4.2 CAREER PROGRESSION AND DEVELOPMENT

Beyond employees' training, we invest in each employee's professional growth. We regularly conduct goal setting and performance reviews for our employees and review the performance and development of our employees to ensure that employee strengths align with business needs, fostering a high-performing workforce.

2024 SUSTAINABILITY REPORT

8. FOCUSING ON OUR CUSTOMERS' NEEDS

8.1 OUR APPROACH

We prioritise customer satisfaction as a key driver of sustainable business growth and remain committed to delivering unparalleled customer experience through our customer service as well as high quality products. In our ongoing pursuit of excellence in focusing on our customers' needs, we are assessing targets related to meeting customers' expectations and safeguarding our customers' data privacy and security in this reporting period.

8.2 CUSTOMER FEEDBACK AND SATISFACTION

Recognising that excellent customer service fosters retention and brand trust, we invest in training employees to uphold service excellence. We also constantly seek to understand our customers' concerns and satisfaction levels to ensure our products meet our needs through open communications and listening to customer feedback.

We have in place multiple communication channels to gather customers' feedback, including our website, regular customer surveys, and appointed customer service personnel. This enables us to gain a better understanding of our customers' experience and pinpoint areas which we should focus on. Apart from concerns, positive feedback from customers is cascaded to our employees, our superiors and our management team to reinforce service excellence.

In FY2024, our customer satisfaction index stands at 91%, a 10p.p increase from FY2023.

	FY2023	FY2024
Customer satisfaction index (%)	81	91

8.3 SERVICE QUALITY AND SAFETY

We continuously innovate to deliver safe, high-quality products, conducting rigorous due diligence to ensure compliance with industry standards and eliminate health hazards. In FY2024, we recorded zero product safety incidents, reflecting CSE Global's commitment to a "Safety First" culture reinforced through employee training and robust quality control.

Since 2001, our quality management framework has been certified by ISO 9001 certification, alongside adherence to ISO 45001 and BizSafe standards to ensuring product safety.

Guided by our Quality Policy, we define clear quality objectives and implement a comprehensive quality management approach, identifying stakeholders, key product quality aspects, and their impacts. Our end-to-end quality management processes span planning, operation and performance evaluation and improvement. Senior management oversees and is in charge of quality improvement processes. By mapping the sequence and interaction of business processes, we seamlessly integrate quality management into our operations.

8.4 DATA SECURITY AND PRIVACY

We uphold stringent data privacy standards to safeguard confidential information and prevent the loss of customer data. Our data protection systems are continually strengthened to ensure resilience against cybersecurity risks, supported by robust processes and controls for managing and communicating sensitive customer information, including contracts, orders, and service delivery details. Guided by our information security policies, we handle customer data according to its confidentiality level, strictly adhering to local laws and internal regulations on personal information protection.

In FY2024, we recorded zero number of cases relating to loss of customer data, and zero number of substantiated complaints received concerning breaches of customer privacy.

9. PARTNERING OUR SUPPLIERS

9.1 OUR APPROACH

We adopt a holistic approach to embedding sustainability throughout our value chain, ensuring our local partners and suppliers uphold responsible business practices. Guided by our Green Procurement Guidance, we actively collaborate with suppliers to enhance responsible sourcing, minimizing our indirect environmental and social impacts.

9.2 SUPPLY CHAIN MANAGEMENT

We take a holistic approach in implementing sustainability across our value chain and ensure our local partners and suppliers upholds responsible business practices. We are guided by our Green Procurement Guidance and identify new opportunities to collaborate with our suppliers to ensure responsible sourcing of suppliers to minimise our indirect environmental and social impacts.

9.2.1 SUPPLIER SELECTION

We implement a rigorous supplier evaluation and screening process to select key suppliers. As part of the selection process, suppliers will have to fill in a Supplier Assessment Form, which assesses the quality of products and services, certifications and health and safety. Additionally, the sustainability policies adopted by our suppliers are also considered. The final decision on supplier selection is based on the overall assessment which takes a balanced view across all selection criteria.

9.2.2 SUPPLIER REVIEW

We regularly assess our key suppliers' performance through a review process featuring two-way dialogue and feedback, guiding our decisions on partnership extensions. This ensures that our suppliers and their products align with our business needs and sustainability goals. Through annual engagements, we encourage our suppliers to adopt sustainability criteria and practices that advance a more sustainable future.

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10. SUPPORTING OUR COMMUNITY

10.1 OUR APPROACH

We champion good corporate social responsibility ("CSR") and strive to create long-lasting positive impact in the communities we operate in. Beyond our current initiatives, we are currently preparing targets related to the positive impacts we can create for local communities across our operations.

10.2 LOCAL COMMUNITIES

At CSE Global, we firmly believe in giving back to our communities while pursuing our business objectives, with particular emphasis on community engagement and contributions through meaningful initiatives.

10.2.1 AUSTRALIA

In 2024, CSE Australia contributed over A$18,000 in donations and gifts to not-for-profit organisations. We supported a range of beneficiaries, including The Smith Family for children's wellbeing, the Lions Cancer Institute and Kids Cancer Support Group for cancer research, the Immune Deficiencies Foundation Australia, the Lions Festival for Disadvantaged Children and Rotary Foundations, as well as continued advocacy for Movember, an annual event to fund research, awareness, and services for men's health. Additionally, donations were made to support local community sporting activities, such as football and surf lifesaving, throughout Australia.

10.2.2 AMERICAS

In the Americas, CSE participated in over 40 different community activities, fundraisers, and events supporting various local non-profit organisations to make a positive impact on the lives of others. CSE Americas continued its support to the United Way of Greater Houston and Southwest Louisiana for the fourth consecutive year. Fundraising events for charitable causes that CSE Americas participated in include the 37th annual TechnipFMC's United Way golf tournament, the 4th Annual TechnipFMC United Way Sporting Clays tournament and the ExxonMobil United Way Golf tournament. CSE Americas also helped United Way by contributing over US$8,000 in funds, sponsoring meals and dedicating 48 community work hours at events. CSE Americas is proud to serve as a "Cook Sponsor" at several local charitable events, where we served over 1,200 meals and devoted more than 100 community work hours.

Charitable donations were made during the year to organisations such as the Astros Golf Foundation, the Houston Electrical League Foundation, and the National Fire Protection Organisation. CSE Americas' Veterans Network was also honoured for its continuous support of local non-profit veterans' organisations in the Houston area.

10.2.3 SINGAPORE

In Singapore, we granted a total of 25 bursaries to local education institutions and supported our staff with their families' education expenses. In 2024, we donated S$84,000 to various community groups. In addition, we continued rendering our support to Yellow Ribbon Singapore as part of our commitment to help inmates and ex-offenders rebuild their lives and lower their recidivism rate through skills and long-term career development. We will continue to champion good corporate social responsibility and seek to empower underprivileged groups, while enriching communities through staff volunteerism.

11. CORPORATE GOVERNANCE

11.1 OUR APPROACH

Good corporate governance underpins our business success and stakeholder trust. We are establishing governance related targets for our next sustainability report.

In FY2025, we are developing a Sustainability Reporting Procedure Policy to enhance transparency and accountability in our ESG disclosures. This policy will outline our ESG governance structure, defining roles and responsibilities across all levels of personnel involved in sustainability reporting. It will establish a structured approach for selecting sustainability frameworks and material topics, ensuring alignment with industry best practices. Additionally, we are strengthening our ESG data collection and performance review processes to enhance data accuracy and decision-making. The policy will also formalize review and approval procedures for our sustainability report and introduce an ESG risk register to systematically assess and address sustainability-related risks.

11.2 ETHICS AND COMPLIANCE

We maintain a zero-tolerance stance against fraud, bribery, and corruption. It is our policy to conduct all our business in an honest and ethical manner, and we will not tolerate any acts of bribery and corruption. We are committed to acting professionally and ethically in all our business dealings and relationships. CSE Global is committed to implementing and enforcing effective systems to counter bribery. Policies relating to anti-corruption and bribery are communicated to all our employees via the Employee Handbook.

We also have in place a Whistle-blowing policy to ensure that there is a safe and confidential channel for our employees and external persons to communicate and lodge an alleged incident.

To safeguard the business against any potential risks, we conduct a Risk Assessment and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include fraud and corruption, environmental, health and safety, and human capital risks which are ESG-relevant.

In FY2024, we recorded zero confirmed incidents of corruption.

11.3 ECONOMIC PERFORMANCE

We drive financial value and sustainable business growth through our customer service excellence and innovation. Our main source of revenue comes from our Electrification, Communications and Automation business segments.

	FY2023	FY2024
Gross revenue (SGD million)[4]	638	763
Operating costs (SGD million)[4]	162	171

For more information relating to the Group's economic performance, please refer to Financial Highlights and Operations and Financial Review sections of our Annual Report.

4 All figures provided only pertain to the entities scoped into the report and not the whole Group.

2024 SUSTAINABILITY REPORT

APPENDIX

TCFD CONTENT INDEX

TCFD Pillars	Recommended Disclosures	Section Reference
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities	SR Section 4.1, 6.2.1
	b) Describe management's role in assessing and managing climate-related risks and opportunities	SR Section 4.1, 6.2.1
Strategy		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	SR Section 6.2.2
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	SR Section 6.2.2 and 6.2.2.1
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	SR Section 6.2.2
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	SR Section 6.2.3
	b) Describe the organisation's processes for managing climate-related risks.	SR Section 6.2.3
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	SR Section 6.2.3
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	SR Section 6.2.4
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	SR Section 6.3.1
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	SR Section 6.2.4

GRI CONTENT INDEX

Statement of use	CSE Global Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.		
GRI 1 used	GRI 1: Foundation 2021		
GRI Standards	**Disclosure Number**	**Disclosure Title**	**Section Reference and/or Remark**
General Disclosures			
GRI 2 (2021): General Disclosures	2-1	Organisational details	SR Section 1
	2-2	Entities included in the organisation's sustainability reporting	SR Section 3.1
	2-3	Reporting period, frequency and contact point	SR Section 3.1, 3.3
	2-4	Restatements of information	SR Section 3
	2-5	External assurance	SR Section 3.2
	2-6	Activities, value chain and other business relationships	SR Section 1.1
	2-7	Employees	SR Section 1.1, 7.2.1
	2-9	Governance structure and composition	SR Section 4.1 AR - Report on Corporate Governance
	2-10	Nomination and selection of the highest governance body	SR Section 4.1 AR - Report on Corporate Governance
	2-11	Chair of the highest governance body	SR Section 4.1 AR - Report on Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	SR Section 4.1
	2-13	Delegation of responsibility for managing impacts	SR Section 4.1
	2-14	Role of the highest governance body in sustainability reporting	SR Section 4.1
	2-15	Conflicts of interest	AR - Report on Corporate Governance
	2-16	Communication of critical concerns	SR Section 11.2
	2-17	Collective knowledge of the highest governance body	SR Section 4.1
	2-18	Evaluation of the performance of the highest governance body	AR - Report on Corporate Governance
	2-19	Remuneration policies	SR Section 7.2.2 AR - Report on Corporate Governance
	2-20	Process to determine remuneration	SR Section 7.2.2 AR - Report on Corporate Governance

2024 SUSTAINABILITY REPORT

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and/or Remark
GRI 2 (2021): General Disclosures	2-22	Statement on sustainable development strategy	SR Section 2
	2-23	Policy commitments	SR Section 4.2, 6.1, 7.2, 8.3, 11.2
	2-24	Embedding policy commitments	SR Section 4.2, 6.1, 7.2, 8.3, 11.2
	2-25	Processes to remediate negative impacts	SR Section 11.2
	2-26	Mechanisms for seeking advice and raising concerns	SR Section 3.3, 4.2, 11.2
	2-27	Compliance with laws and regulations	SR Section 7.2, 7.3, 8.4, 11.2
	2-29	Approach to stakeholder engagement	SR Section 4.2
Reduction of Carbon Footprint			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 4.3
GRI 302 (2016): Energy	302-1	Energy consumption within the organisation	SR Section 6.3
	302-3	Energy index	SR Section 6.3
	302-4	Reduction of energy consumption	SR Section 6.3
GRI 305 (2016): Emissions	305-1	Direct (Scope 1) GHG emissions	SR Section 6.3
	305-2	Energy indirect (Scope 2) GHG emissions	SR Section 6.3
	305-4	GHG emissions index	SR Section 6.3
	305-5	Reduction of GHG emissions	SR Section 6.3
Employee Well-being			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 7.1
GRI 401 (2016): Employment	401-1	New employee hires and employee turnover	SR Section 7.2.1
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR Section 7.2.4
	401-3	Parental leave	SR Section 7.2.4
GRI 405 (2016): Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SR Section 7.2.1
	406-1	Incidents of discrimination and corrective actions taken	SR Section 7.2.2

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and/or Remark
Workplace Health and Safety			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 7.3
GRI 403 (2018): Occupational Health and Safety	403-1	Occupational health and management system	SR Section 7.3
	403-2	Hazard identification, risk assessment, and incident investigation	SR Section 7.3
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR Section 7.3
	403-5	Worker training on occupational health and safety	SR Section 7.3
	403-6	Promotion of worker health	SR Section 7.2.4, 7.3
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR Section 7.3
	403-8	Workers covered by an occupational health and safety management system	SR Section 7.3
	403-9	Work-related injuries	SR Section 7.3
Future-ready Workforce			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 7.4
GRI 404 (2016): Training and Education	404-1	Average hours of training per year per employee	SR Section 7.4.1
	404-2	Programmes for upgrading employee skills and transition assistance programmes	SR Section 7.4.1
Customer Feedback and Satisfaction			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 8.2
Service Quality and Safety			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 8.3

2024 SUSTAINABILITY REPORT

GRI Standards	Disclosure Number	Disclosure Title	Section Reference and/or Remark
Data Security and Privacy			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 8.4
GRI 418 (2016): Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR Section 8.4
Supply Chain Management			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 9.1
Local Communities			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 10.1
GRI 413 (2016): Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	SR Section 10.2
	413-2	Operations with significant actual and potential negative impacts on local communities	SR Section 10.2
Ethics and Compliance			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 11.1
GRI 205 (2016): Anti-corruption	205-1	Operations assessed for risks related to corruption	SR Section 11.2
	205-2	Communication and training about anti-corruption policies and procedures	SR Section 11.2
	205-3	Confirmed incidents of corruption and actions taken	SR Section 11.2
Economic Performance			
GRI 3 (2021): Material Topics	3-1	Process to determine material topics	SR Section 4.3
	3-2	List of material topics	SR Section 4.3
	3-3	Management of material topics	SR Section 11.3
GRI 201 (2016): Economic Performance	201-1	Direct economic value generated and distributed	SR Section 11.3
	201-2	Financial implications and other risks and opportunities due to climate change	SR Section 6.2.2

CONTENT

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of CSE Global Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2024.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date, and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Tan Teck Koon
Lim Boon Kheng
Lee Kong Ting
Tan Chian Khong
Ng Shin Ein
Wong Su Yen
Derek Lau Tiong Seng
Tang Wai Loong Kenneth (Appointed on 29 April 2024)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries), as stated below:

	Held by Director			Other shareholdings in which the Director is deemed to have an interest		
Name of Director	**At 1.1.2024**	**At 31.12.2024**	**At 21.1.2025**	**At 1.1.2024**	**At 31.12.2024**	**At 21.1.2025**
Ordinary shares of the Company						
Lim Boon Kheng *	907,429	2,823,243	2,823,243	19,121,600	19,680,663	19,680,663
Tan Chian Khong **	–	–	–	60,000	64,235	64,235
Tan Teck Koon	144,000	174,164	174,164	–	–	–

* *Lim Boon Kheng is deemed to be interested in (i) 7,971,352 shares held by Citibank Nominees Singapore Pte. Ltd.; (ii) 113,400 shares held by United Overseas Bank Nominees (Private) Limited; and (iii) 11,595,911 shares held by HSBC (Singapore) Nominees Pte Ltd.*

** *Tan Chian Khong is deemed to be interested in 64,235 shares held by DBS Nominees Pte Ltd.*

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Share options and Performance Share Plan

There is currently no share option scheme on unissued shares of the Company.

The Company has implemented a share-based long term incentive plan known as CSE Performance Share Plan ("Performance Share Plan") in lieu of an existing cash plan on 20 April 2017. The duration of the Performance Share Plan is 10 years commencing 20 April 2017. The Performance Share Plan is administrated by the Remuneration Committee (formerly known as Compensation Committee), namely Messrs Wong Su Yen, Ng Shin Ein and Tan Teck Koon. Details of the Performance Share Plan are as follows:

(a) All employees of the Group who are of the age of 18 years and above and Executive Directors of the Company, who, in the opinion of the Remuneration Committee, have contributed or will contribute to the success of the Group (collectively known as the "Participants"), shall be eligible to participate in the Performance Share Plan subject to the absolute discretion of the Remuneration Committee.

Persons who are Controlling Shareholders[1] and their Associates[2] and directors and employees of associated companies shall not be eligible to participate in the Performance Share Plan.

1 *Controlling Shareholder refers to a person who (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury Shares in the Company (unless SGX-ST determines such person is not a controlling shareholder); or (b) in fact exercises control over the Company*

2 *In the case of a Company,*
- *(a) in relation to any director, chief executive officer, Substantial Shareholder, being a person (including a corporation) who has an interest (direct or indirect) in 5% or more of the total issued Shares of the Company, or Controlling Shareholder means his immediate family, the trustees of any trust of which he or his immediate family is a beneficiary and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;*
- *(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a Company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one of the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more*

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Share options and Performance Share Plan (cont'd)

(b) The maximum number of ordinary shares in the capital of the Company ("Shares") that the Company may grant under the Performance Share Plan shall not exceed 5% of the total number of issued Shares (excluding Treasury Shares) of the Company on the day immediately preceding the date on which the contingent award of Shares under the Performance Share Plan ("Award") shall be granted. The Company shall purchase existing Shares for transfer to Participants in respect of the Awards. No new Shares will be issued by the Company pursuant to the Awards.

In addition, the total number of Shares that may be transferred or are transferable pursuant to the granting of the Awards on any date (which shall not exceed 5% of the total number of issued Shares, excluding Treasury Shares, of the Company on the day immediately preceding the date on which the Award shall be granted), when added to the aggregate number of Shares that are issued or are issuable in respect of such other share-based incentive schemes of the Company (if any), shall not exceed 15% of the total number of issued Shares (excluding Treasury Shares) of the Company on the day immediately preceding the date of grant of the Award.

(c) Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Remuneration Committee being satisfied that the Participants has achieved the Performance Target(s)[3] and that the Vesting Period[4] (if any) has expired provided always that the Remuneration Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed Performance Target(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period. No Shares under the Award shall be released for the portion of the prescribed Performance Target(s) that is not satisfied by the Participant at the end of the prescribed performance period.

(d) During the financial year under review, awards comprising of 3,193,023 shares have been awarded under the Performance Share Plan. The awards in respect of 3,193,023 shares were also vested on the date of grant. The awards were satisfied by the delivery of existing shares purchased from the market to the participants as permitted under the Performance Share Plan.

(e) Performance shares awarded, vested and outstanding at the end of the financial year were as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of CSE Performance Share Plan to 31.12.2024	Aggregate shares vested since commencement of CSE Performance Share Plan to 31.12.2024	Aggregate share award outstanding as at 31.12.2024
Participant who received more than 5% of the total grant available				
Director				
Lim Boon Kheng[(1)]	1,915,814	7,921,506	7,921,506	–
Participant (other than Director) who received more than 5% of the total grant available				
Other participants[(1)]	1,277,209	5,436,751	5,436,751	–

[(1)] The shares awarded were subjected to a moratorium period of 1 to 5 years from the date of grant against any disposal or sale and/or other dealings in the Shares.

3 Performance Target(s) refers to the performance target(s) prescribed by the Remuneration Committee to be fulfilled by a Participant for any particular period under the Performance Share Plan.

4 In relation to an Award, Vesting Period refers to a period or periods of time before vesting occurs, the duration of which is to be determined by the Committee at the date of the grant of the Award.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Audit and Risk Committee ("ARC")

The ARC was established on 22 January 1999.

The ARC comprises four members, majority of whom including Chairman of the ARC, are independent of the management of the Company.

The members of the ARC at the date of this report comprise the following Directors:

Non-Executive Independent Directors:

Tan Chian Khong (Chairman of ARC)
Lee Kong Ting
Ng Shin Ein
Tang Wai Loong Kenneth

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

- Reviewed the quarterly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;

- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor;

- Met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARC;

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor;

- Reviewed the nature and extent of non-audit services provided by the external auditor;

- Recommended to the Board of Directors the external auditors to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

- Reported actions and minutes of the ARC to the Board of Directors with such recommendations as the ARC considers appropriate; and

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The ARC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARC has also conducted a review of interested person transactions.

The ARC convened four meetings during the financial year with full attendance from all members. The ARC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARC are disclosed in the Report on Corporate Governance in the Annual Report of the Company.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Tan Teck Koon
Director

Lim Boon Kheng
Director

Singapore
18 March 2025

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CSE Global Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2024, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition on project contracts

The Group recognised project revenue of $432,520,000 for the financial year ended 31 December 2024 and the carrying amounts of contract assets and contract liabilities arising from these projects amounted to $121,160,000 and $85,686,000 respectively. The Group recognised revenue from project contracts using the input method that reflect the overtime transfer of control to its customers, which is measured by reference to the Group's progress towards completing the performance obligation on the contract. The measure of progress is determined by reference to the contracts costs incurred to date as a percentage of the total estimated costs for each contract.

The determination of total budgeted costs, progress towards completion, variation orders and claims, remaining costs to completion as well as project's status for each contract requires significant management judgement and estimation, and may have an impact on the amounts of project revenue, contract assets and contract liabilities recognised during the year. We therefore identified this to be key audit matter.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

Revenue recognition on project contracts (cont'd)

As part of the audit, we obtained an understanding of the Group's costing and budgeting processes. In evaluating management's budgeting process, we compared the budgeted costs to actual costs incurred to date, and assessed reasonableness on the remaining costs to be incurred to complete the projects, taking into consideration the current economic conditions on the project progress and profitability. For significant projects, we reviewed the terms and conditions of the contracts, and cost incurred. For potential disputes or variation claims, we tested their occurrence and measurement via review of correspondence with customers and contractors. We also inquired with the Group finance and operational management regarding the project status, budgeted costs to complete, provision for onerous contracts or liquidated damages, and where applicable, assessed the estimates of costs to complete and reasonableness of the provision for onerous contracts, if any.

Further, we assessed the adequacy of the Group's disclosures on project revenue in Note 19 to the financial statements.

Impairment assessment of trade receivables and contract assets

Trade receivables and contract assets balances amounted to $117,242,000 and $121,160,000 respectively as of 31 December 2024 and were significant to the Group as they represented 38% of the Group's total assets. The Group uses a provision matrix to calculate the expected credit losses (ECLs) for trade receivables and contract assets. The provision matrix is based on historical default rates, existing economic conditions, adjusted for forward looking information at each reporting period. The determination of ECL requires the use of management judgement and estimates, and is sensitive to changes in circumstances and economic conditions. Given the magnitude of the amounts and the use of significant management judgement in assessing the ECLs, we have identified impairment on trade receivables and contract assets to be a key audit matter.

As part of the audit, we obtained an understanding of the Group's processes and controls relating to the impairment assessment of trade receivables and contract assets. We performed procedures on existence and assessed post year end receipts for key trade receivables. We tested management's assumptions used to determine the ECLs on the trade receivables and contract assets, by considering the Group's historical credit loss experience, ageing analysis of outstanding receivables, customer profile and local jurisdiction risks and comparison to forward-looking macroeconomic information affecting the recoverability of trade receivables and contract assets.

Further, we assessed the adequacy of the Group's disclosures on trade receivables and contract assets, and the related credit risk and liquidity risk in Notes 11 and 9 to the financial statements.

Impairment testing on goodwill

As at 31 December 2024, the Group has goodwill amounting to $90,430,000 which represented 47% of the total non-current assets. The Group allocated goodwill to cash generating units ("CGUs") identified for impairment testing as disclosed in Note 7 to the financial statements.

The recoverable amount of each CGU was determined using the value-in-use ("VIU") calculations, which was based on assumptions in respect of future market and economic conditions such as economic growth, expected inflation rates, demographic developments, future revenue and budgeted gross margins. The audit procedures over management's impairment tests were significant to our audit because the assessment process was complex and involved significant management judgment on the various assumptions used in the underlying cash flow forecasts.

As part of our audit, we obtained an understanding of management's impairment assessment process and reviewed the robustness of management's budgeting process by comparing the actual financials versus previously forecasted financials. We assessed and tested the key assumptions used in the impairment assessment such as long-term growth rates and discount rate, and performed sensitivity analysis in these key assumptions to changes in the recoverable amount of each CGU. We also assessed whether assumptions have been determined and applied consistently across the Group, taking into considerations the current economic and market conditions. Our internal valuation specialists assisted us in testing the reasonableness of the discount rate and long term growth rate used in the VIU calculation. We reviewed the results of the impairment assessment performed by management by comparing the carrying values of the CGU to their respective recoverable amounts, and assessed if the carrying amounts exceed the recoverable amounts.

Further, we assessed the adequacy of the Group's disclosures in Note 7 to the financial statements concerning goodwill.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

Other Information

Management is responsible for other information. The other information comprises information included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Alvin Phua Chun Yen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
18 March 2025

BALANCE SHEETS

As at 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000	Company 2024 $'000	Company 2023 $'000
Non-current assets					
Property, plant and equipment	4	54,057	70,337	476	768
Right-to-use assets	27	23,529	26,215	781	1,325
Investment in subsidiaries	5	–	–	251,535	223,070
Investment in an associate		129	166	–	–
Intangible assets	7	107,419	93,432	–	–
Deferred tax assets	8	7,591	7,018	760	540
Finance lease receivables	24	161	223	–	–
Other asset		3	–	–	–
		192,889	197,391	253,552	225,703
Current assets					
Contract assets	9	121,160	124,765	–	–
Inventories	10	58,722	70,764	–	–
Trade and other receivables	11	167,290	153,013	1,323	1,028
Finance lease receivables	24	51	166	–	–
Prepaid operating expenses		10,937	8,932	373	363
Amounts due from subsidiaries	5	–	–	123,876	120,258
Cash and bank balances	12	57,401	39,426	9,455	3,321
		415,561	397,066	135,027	124,970
Asset held-for-sale	28	24,181	3,911	–	–
		439,742	400,977	135,027	124,970
Total assets		632,631	598,368	388,579	350,673
Current liabilities					
Contract liabilities	9	85,686	96,703	–	–
Trade payables and accruals	13	119,480	127,012	2,560	4,985
Lease liabilities	27	10,215	8,380	699	669
Loans and borrowings	14	108,874	95,927	108,874	92,791
Derivative liability	6	–	6	–	6
Amounts due to subsidiaries	5	–	–	61,189	72,983
Provision for warranties	15	914	316	–	–
Provision for taxation		7,730	6,541	–	309
		332,899	334,885	173,322	171,743
Net current assets/(liabilities)		106,843	66,092	(38,295)	(46,773)
Non-current liabilities					
Deferred tax liabilities	8	6,965	6,136	–	–
Lease liabilities	27	14,950	19,395	325	1,051
Loans and borrowings	14	20,600	19,500	20,600	19,500
Other liabilities	13	1,189	2,372	–	–
		43,704	47,403	20,925	20,551
Total liabilities		376,603	382,288	194,247	192,294
Net assets		256,028	216,080	194,332	158,379

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2024

		Group		Company	
	Note	2024	2023	2024	2023
		$'000	$'000	$'000	$'000
Equity attributable to owners of the Company					
Share capital	16(a)	166,390	131,902	166,390	131,902
Treasury shares	16(b)	(244)	(1,910)	(244)	(1,910)
Share-based payment reserve	16(c)	2,427	1,373	2,427	1,373
Revenue reserve		110,145	102,633	16,026	16,988
Other reserves	17	9,701	9,994	9,733	10,026
Foreign currency translation reserve	18	(32,430)	(27,847)	–	–
		255,989	216,145	194,332	158,379
Non-controlling interests		39	(65)	–	–
Total equity		256,028	216,080	194,332	158,379

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2024

	Note	Group 2024 $'000	Group 2023 $'000
Revenue	19	861,173	725,051
Cost of sales		(620,014)	(525,187)
Gross profit		241,159	199,864
Operating expenses			
Administrative expenses		(168,938)	(143,455)
Selling and distribution expenses		(11,344)	(9,341)
Other expenses		(6,671)	(8,706)
Operating profit		54,206	38,362
Other non-operating income	20	278	1,318
Finance income	21	613	553
Finance costs	22	(8,973)	(10,653)
Share of loss of an associate		(27)	(23)
Settlement of arbitration		(10,414)	–
Profit before tax	23	35,683	29,557
Tax expense	25	(9,237)	(7,093)
Profit for the year		26,446	22,464
Attributable to:			
Owners of the Company		26,345	22,527
Non-controlling interests		101	(63)
		26,446	22,464
Earnings per share attributable to owners of the Company (cents per share)			
Basic EPS	26	3.91	3.66
Diluted EPS	26	3.91	3.66

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

	Group	
	2024	**2023**
	$'000	**$'000**
Profit for the year	26,446	22,464
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss		
– Foreign currency translation	(4,580)	(3,148)
Other comprehensive loss for the year, net of tax	(4,580)	(3,148)
Total comprehensive income for the year	21,866	19,316
Attributable to:		
Owners of the Company	21,762	19,380
Non-controlling interests	104	(64)
Total comprehensive income for the year	21,866	19,316

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

Group	Attributable to owners of the Company								
	Share capital (Note 16)	Treasury shares (Note 16)	Share-based payment reserve (Note 16)	Revenue reserve	Other reserves (Note 17)	Foreign currency translation reserve (Note 18)	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2024									
At 1 January 2024	131,902	(1,910)	1,373	102,633	9,994	(27,847)	216,145	(65)	216,080
Profit for the year	–	–	–	26,345	–	–	26,345	101	26,446
Other comprehensive income/(loss)									
– Foreign currency translation	–	–	–	–	–	(4,583)	(4,583)	3	(4,580)
Other comprehensive income/(loss) for the year, net of tax	–	–	–	–	–	(4,583)	(4,583)	3	(4,580)
Total comprehensive income/(loss) for the year	–	–	–	26,345	–	(4,583)	21,762	104	21,866
Contributions by and distributions to owners									
– Issuance of ordinary shares (Note 16)	23,209	–	–	–	–	–	23,209	–	23,209
– Re-issuance of treasury shares (Note 16)	–	1,666	(1,373)	–	(293)	–	–	–	–
– Dividends on ordinary shares (Note 34)	11,279	–	–	(18,833)	–	–	(7,554)	–	(7,554)
– Equity-settled compensation to employees (Note 16)	–	–	2,427	–	–	–	2,427	–	2,427
Total transactions with owners in their capacity as owners	34,488	1,666	1,054	(18,833)	(293)	–	18,082	–	18,082
Closing balance at 31 December 2024	166,390	(244)	2,427	110,145	9,701	(32,430)	255,989	39	256,028

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Attributable to owners of the Company								
Group	Share capital (Note 16)	Treasury shares (Note 16)	Share-based payment reserve (Note 16)	Revenue reserve	Other reserves (Note 17)	Foreign currency translation reserve (Note 18)	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2023									
At 1 January 2023	131,902	(1,910)	–	97,015	9,994	(24,700)	212,301	(1)	212,300
Profit/(loss) for the year	–	–	–	22,527	–	–	22,527	(63)	22,464
Other comprehensive loss									
– Foreign currency translation	–	–	–	–	–	(3,147)	(3,147)	(1)	(3,148)
Other comprehensive loss for the year, net of tax	–	–	–	–	–	(3,147)	(3,147)	(1)	(3,148)
Total comprehensive income/(loss) for the year	–	–	–	22,527	–	(3,147)	19,380	(64)	19,316
Contributions by and distributions to owners									
– Dividends on ordinary shares (Note 34)	–	–	–	(16,909)	–	–	(16,909)	–	(16,909)
– Equity-settled compensation to employees (Note 16)	–	–	1,373	–	–	–	1,373	–	1,373
Total transactions with owners in their capacity as owners	–	–	1,373	(16,909)	–	–	(15,536)	–	(15,536)
Closing balance at 31 December 2023	131,902	(1,910)	1,373	102,633	9,994	(27,847)	216,145	(65)	216,080

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

Company	Share capital (Note 16) $'000	Treasury shares (Note 16) $'000	Share-based payment reserve (Note 16) $'000	Revenue reserve $'000	Other reserves (Note 17) $'000	Total equity $'000
2024						
At 1 January 2024	131,902	(1,910)	1,373	16,988	10,026	158,379
Profit for the year, representing total comprehensive income for the year	–	–	–	17,871	–	17,871
Total comprehensive income for the year	–	–	–	17,871	–	17,871
Contributions by and distributions to owners						
– Issuance of ordinary shares (Note 16)	23,209	–	–	–	–	23,209
– Re-issuance of treasury shares (Note 16)	–	1,666	(1,373)	–	(293)	–
– Dividends on ordinary shares (Note 34)	11,279	–	–	(18,833)	–	(7,554)
– Equity-settled compensation to employees (Note 16)	–	–	2,427	–	–	2,427
Total transactions with owners in their capacity as owners	34,488	1,666	1,054	(18,833)	(293)	18,082
Closing balance at 31 December 2024	166,390	(244)	2,427	16,026	9,733	194,332
2023						
At 1 January 2023	131,902	(1,910)	–	22,928	10,026	162,946
Profit for the year, representing total comprehensive income for the year	–	–	–	10,969	–	10,969
Total comprehensive income for the year	–	–	–	10,969	–	10,969
Contributions by and distributions to owners						
– Dividends on ordinary shares (Note 34)	–	–	–	(16,909)	–	(16,909)
– Equity-settled compensation to employees (Note 16)	–	–	1,373	–	–	1,373
Total transactions with owners in their capacity as owners	–	–	1,373	(16,909)	–	(15,536)
Closing balance at 31 December 2023	131,902	(1,910)	1,373	16,988	10,026	158,379

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2024

	2024 $'000	2023 $'000
Cash flows from operating activities:		
Profit before tax	35,683	29,557
Adjustments for:		
Depreciation of property, plant and equipment	12,842	11,845
Depreciation of right-to-use assets	9,905	7,071
Amortisation of intangible assets	4,960	5,020
Writeback of inventories, net	(1,048)	(373)
Allowance for expected credit loss on trade receivables, net	1,588	3,179
Loss/(gain) on disposal and write off of property, plant and equipment	322	(70)
Gain on disposal of asset held-for-sale	(588)	–
Gain on liquidation of a subsidiary	(266)	–
Gain on lease modification	–	(113)
Provision for warranties made/(reversed), net	651	(252)
Share of loss of an associate	27	23
Interest expense *	8,991	10,696
Interest income	(613)	(553)
Operating cash flows before changes in working capital	72,454	66,030
Increase in trade and other receivables, finance lease receivables and prepaid operating expenses	(18,555)	(15,534)
Decrease in contract assets, net and inventories	3,549	11,900
(Decrease)/increase in trade payables and accruals	(9,947)	9,624
Cash generated from operations	47,501	72,020
Interest paid	(7,821)	(9,867)
Interest received	613	363
Income tax paid	(7,194)	(6,621)
Net cash flows generated from operating activities	33,099	55,895
Cash flows from investing activities:		
Purchase of property, plant and equipment	(20,657)	(17,910)
Purchase of intangible assets	(134)	(900)
Release of restricted cash arising from acquisition of subsidiaries	989	1,107
Acquisition of businesses, net of cash	(18,711)	(15,949)
Proceeds from disposal of property, plant and equipment	735	1,327
Proceeds from sale of asset held-for-sale	4,499	–
Release of restricted cash arising from disposal of a property	–	7,940
Net cash flows used in investing activities	(33,279)	(24,385)

* *Inclusive of $18,000 (2023: $43,000) of interest expenses included in cost of sales.*

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2024

	2024 $'000	2023 $'000
Cash flows from financing activities:		
Net proceeds from issuance of ordinary shares	23,209	–
Proceeds from borrowings	18,898	40,701
Repayment of borrowings	(4,275)	(32,495)
Payment of lease liabilities	(10,967)	(8,135)
Dividends paid on ordinary shares	(7,554)	(16,909)
Net cash flows generated from/(used in) financing activities	19,311	(16,838)
Net increase in cash and cash equivalents	19,131	14,672
Net effect of exchange rate changes on cash and cash equivalents	(110)	(438)
Cash and cash equivalents at 1 January	38,380	24,146
Cash and cash equivalents at 31 December	57,401	38,380
Restricted cash arising from acquisition of subsidiaries	–	1,046
Cash and bank balances at 31 December	57,401	39,426

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

1. Corporate information

CSE Global Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office of the Company was located at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 and its principal place of business is 202 Bedok South Avenue 1, #01-21, Singapore 469332.

On 14 February 2025, the Company changed its registered office to 20 Collyer Quay, #11-07, Singapore 049319.

The principal activities of the Company are those relating to provision of total integrated industrial automation, information technology and intelligent transport solutions and investment holding. The principal activities of the subsidiary companies are disclosed in Note 3 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "$") and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

The Company is in net current liabilities of $38,295,000 (2023: $46,773,000). The Company has the ability to deploy cash and bank balances of the group subsidiaries as well as to utilise available banking facilities.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to FRSs—Volume 11	1 January 2026
SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19: Subsidiaries without Public Accountability	1 January 2027
Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

2.4 *Significant accounting judgments and estimates*

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments made in applying accounting policies

Except as those disclosed in this report, management is of the opinion that there is no other significant judgment made in applying accounting policies that have a significant effect on the amounts recognised in the consolidated financial statements within the next financial period.

Project revenue

For the financial year ended 31 December 2024, the Group recognised project revenue of $432,520,000 (2023: $322,586,000) and the carrying amounts of contract assets and contract liabilities arising from these projects as at 31 December 2024 amounted to $121,160,000 and $85,686,000 (2023: $124,765,000 and $96,703,000) respectively. The Group recognised revenue from project contracts using the input method that reflect the overtime transfer of control to its customers, which is measured by reference to the Group's progress towards completing the performance obligation on the contract. The measure of progress is determined by reference to the contract costs incurred to date as a percentage of the total estimated costs for each contract.

The carrying amounts of assets and liabilities arising from construction contracts at the end of each reporting period are disclosed in Note 9 to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.4 Significant accounting judgments and estimates (cont'd)

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment assessment of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision matrix is based on historical observed default rates, existing market conditions, adjusted for forward looking information at each reporting period. The determination of ECL require the use of management judgment and estimates and are sensitive to changes in circumstances and economic conditions.

This information about the ECLs on the Group's trade and other receivables and contract assets is disclosed in Note 11 and Note 9 respectively.

The carrying amount of trade receivables and contract assets as at 31 December 2024 are $117,242,000 and $121,160,000 (2023: $110,309,000 and $124,765,000) respectively.

Impairment assessment of goodwill

As disclosed in Note 7 to the financial statements, the recoverable amounts of the cash generating units which goodwill have been allocated to are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model the expected future cash inflows and the long term growth rate. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 7 to the financial statements.

The carrying amount of the goodwill as at 31 December 2024 is $90,430,000 (2023: $77,105,000).

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.7 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2.8 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.8 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability, are recognised in profit or loss.

Non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination. However, if the initial allocation of goodwill acquired in a business combination cannot be completed before the end of the annual period in which the business combination is effected, that initial allocation shall be completed before the end of the first annual period beginning after the acquisition date.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.9 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment, other than freehold land, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	–	5 to 39 years
Leasehold improvements	–	2 to 20 years
Plant and machinery	–	4 to 5 years
Tools and equipment	–	5 years
Office furniture and fittings	–	5 years
Computer equipment	–	2 to 5 years
Motor vehicles	–	3 to 8 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

2.11 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Sales order backlog

Significant confirmed orders and pipeline projects which are acquired in a business combination and amortised over 1 to 4 years.

Non-compete agreement

Non-compete agreement acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is fair value at the acquisition date. The useful life of the non-compete agreements is 10 years as that is the duration imposed on the former owner of the business acquired to generate cash flows for the Group. The non-compete agreement are amortised on a straight-line basis over their useful lives of 10 years.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.11 Intangible assets (cont'd)

Licences and intellectual property rights

Costs relating to licences and intellectual property rights, which are acquired, are capitalised and amortised on a straight-line basis over their useful lives of 5 to 19 years.

Customer relationships

Customer relationships acquired in a business combination are identified and recognised separately from goodwill. The cost of such intangible assets is fair value at the acquisition date. Subsequent to initial recognition, customer relationships acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Customer relationships are amortised over their useful lives of 3 to 15 years.

Technical know-how

Technical know-how pertains to the information and knowledge relating to the design, development of production, installation and operation of the product acquired and capitalised. Technical know-how is amortised on a straight-line basis over their useful lives of 18 months to 10 years.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.13 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

<u>Investments in debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement category, applicable to the Group, for classification of debt instruments is:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

<u>Investments in equity instruments</u>

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.14 Cash and cash balances

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Included in cash and bank balances are funds held in escrow which are not freely remissible for use by the Group.

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, finance lease receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past invoice date as based on the Group's historical repayment trends, it is not uncommon for debtors to take more than 90 days to make payment. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

(i) Spare parts: purchase costs on a first-in first-out basis.

(ii) Trading goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.17 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

2.18 Employee benefits

(a) Defined contribution plans

As required by law, the Group's companies in Singapore, Malaysia, India, Australia and New Zealand make contributions to their respective countries' state pension schemes, being the Central Provident Fund ("CPF") in Singapore, the Employees Provident Fund ("EPF") in Malaysia and India, the Superannuation in Australia and the KiwiSaver in New Zealand. These state pension schemes are defined contribution plans that serve as the national retirement benefits plan for the employees of the Group working in those countries.

As required by law, the Group's companies in the United Kingdom operate a defined contribution pension scheme. Assets of the scheme are held separately from those of the companies in the United Kingdom in an independently administered fund.

The contributions that are made towards the above-mentioned contribution pension schemes are recognised as compensation expenses in the same period as the employment that gives rise to the contributions.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.18 Employee benefits (cont'd)

(c) Employee share based payment plan

Employees of the Group receive remuneration in the form of shares as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the shares at the date on which the shares are granted which takes into account non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the Group's best estimate of the number of shares that will ultimately be issued. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in share based compensation expense.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-to-use assets representing the right to use the underlying assets.

<u>Right-to-use assets</u>

The Group recognises right-to-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-to-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-to-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-to-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	–	More than 1 year to 10 years
Tools and equipment	–	2 to 6 years
Office furniture and fittings	–	3 to 5 years
Computer equipment	–	2 to 5 years
Motor vehicles	–	2 to 4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-to-use assets are also subject to impairment. Refer to Note 2.12.

<u>Lease liabilities</u>

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.19 Leases (cont'd)

(a) As lessee (cont'd)

Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases.

The accounting policy for rental income is set out in Note 2.20(e). Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases in which the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet. The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

2.20 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.20 Revenue recognition (cont'd)

(a) Project revenue

The Group principally operates fixed price contracts. Revenue is recognised when control over the products has been transferred to the customer over time, by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method).

In applying the percentage of completion method, revenue recognised corresponds to the total project revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

For products whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(b) Time and material revenue

Revenue from sale of goods and services is recognised upon the satisfaction of performance obligations when materials are delivered and services are rendered to customers.

(c) Maintenance revenue

Maintenance revenue is recognised on a straight-line basis over the specified contract period. Maintenance revenue received in advance is deferred as unearned income and recognised as income over the life of the maintenance contracts.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.21 Income taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.21 Income taxes (cont'd)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.23 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

2. Summary of significant accounting policies (cont'd)

2.26 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received or forgivable loan provided by the government will be waived and all attaching conditions will be complied with. Where the grant relates to an expense item, it is deducted on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

3. Group companies

Details of subsidiaries of the Company at 31 December are:

	Name of Company (Country of incorporation)	**Principal activities (Place of business)**	**Cost 2024 $'000**	**Cost 2023 $'000**	**Effective equity interest held by the Group 2024 %**	**Effective equity interest held by the Group 2023 %**
i	CSE Global (Asia) Pte Ltd (Singapore)	E-business integration, research and development and investment holding (Singapore)	27,264	27,264	100	100
i	CSE Global (Americas) Pte Ltd (Singapore)	Investment holding (Singapore)	100,306	100,306	100	100
ii	CSE Systems & Engineering (India) Private Limited [(1)] (India)	Sales and provision of computer network systems (India)	36	36	100	100
ii	CSE-Hankin (China) Co., Ltd [(2)] (China)	Design and install high temperature thermal process and incineration systems (China)	2,524	2,524	100	100
i	CSE Communications & Security Pte Ltd (Singapore)	Provision of turnkey telecommunications solutions and security systems (Singapore)	75,302	75,302	100	100
ii	CSE-Global (Australia) Pty Ltd [(9)] (Australia)	Distribution of electrical engineering equipment and provision of telecommunications solutions and investment holding (Australia)	55,882	55,882	100	100
i	CSE-Crosscom (International) Pte Ltd ^ (Singapore)	Investment holding (Singapore)	28,465	–"	100	100
i	CSE Technologies Pte Ltd (Singapore)	Investment holding (Singapore)	21,262	21,262	100	100
i	Grid Communications Pte Ltd (Singapore)	System integration solutions and sales and provision of computer network systems (Singapore)	2,860	2,860	100	100
			313,901	285,436		

" *Denotes amounts less than $1,000*

The carrying amount of the Company's investment in subsidiaries at the balance sheet date is disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. **Group companies (cont'd)**

	Name of Company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group 2024 %	2023 %
	Held by CSE Global (Asia) Pte Ltd			
i	CSE-ITS Pte Ltd (Singapore)	Provision of infrastructure engineering services (Singapore)	100	100
i	CSE-IAP Pte Ltd (Singapore)	Provision of computer systems integration services (Singapore)	100	100
i	CSE-EIS Pte Ltd (Singapore)	Provision of computer systems integration services (Singapore)	100	100
ii	CSE-EIS (Malaysia) Sdn Bhd (3) (Malaysia)	Sales and provision of computer systems (Malaysia)	100	100
i	CSE Hankin (Singapore) Pte Ltd (Singapore)	Provision of process plant and environmental engineering services (Singapore)	100	100
ii	CSE Systems & Engineering (India) Private Limited (1) (India)	Sales and provision of computer network systems (India)	100	100
ii	CSE-Hankin (China) Co., Ltd (2) (China)	Design and install high temperature thermal process and incineration systems (China)	100	100
iii	CSE W-Industries Nigeria Ltd (Nigeria)	Sale and provision of system integration services (Nigeria)	100	100
	Held by CSE-EIS (Malaysia) Sdn Bhd			
ii	Innovative Automation Solutions Sdn Bhd (3) (Malaysia)	Provision of telecommunications, system integration, industrial automation of high-tech manufacturing and industrial processes (Malaysia)	70	70
	Held by CSE Hankin (Singapore) Pte Ltd			
iii	CSE-Hankin (Taiwan) Ltd (Taiwan)	Design and install high temperature thermal process and incineration systems (Taiwan)	90	90

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. **Group companies (cont'd)**

	Name of Company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group 2024 %	2023 %
	Held by CSE-Hankin (China) Co., Ltd			
ii	TransTel Engineering (Tianjin) Co. Ltd [(5)] (China)	Provision of turnkey telecommunications solutions (China)	100	100
	Held by CSE Global (Americas) Pte Ltd			
i	CSE (Americas) Pte Ltd (Singapore)	Investment holding (Singapore)	100	100
iii	Converge Resources Inc (America)	Sale and provision of contracting resources and permanent placement for niche technical resources (America)	70	70
iii	W-Industries De Moçambique, Lda (Mozambique)	Sale and provision of integration services (Mozambique)	100	100
iii	CSE W-Industries De Mexico, S. de R.L. de C.V. (Mexico)	Sale and provision of system integration and engineering services (Mexico)	100	100
	Held by CSE (Americas) Pte Ltd			
iv	CSE Americas, Inc (America)	Sale and provision of system integration services and investment holding (America)	100	100
iv	Industrias W de Mexico, SA de C.V. (Mexico)	Sale and provision of system integration services (Mexico)	100	100
iii	W-Industries De Moçambique, Lda (Mozambique)	Sale and provision of integration services (Mozambique)	100	100
iii	CSE W-Industries De Mexico, S. de R.L. de C.V. (Mexico)	Sale and provision of system integration and engineering services (Mexico)	100	100
	Held by Converge Resources Inc			
iii	Carlton Staffing ^^ (America)	Provision of staffing and recruiting services (America)	100	–
	Held by CSE Americas, Inc			
iii	CSE W-Industries, Inc (America)	Sale and provision of system integration services and investment holding (America)	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Group companies (cont'd)

	Name of Company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group 2024 %	2023 %
	Held by CSE Americas, Inc (cont'd)			
iv	CSE ICON, Inc (America)	Sale and provision of system integration services (America)	100	100
iii	Blackstar Services, LLC (America)	Design and development of water treatment and disposal technology (America)	100	100
iv	CSE-Hankin Inc (America)	Design and install high temperature thermal process and incineration systems (America)	100	100
	Held by CSE W-Industries, Inc			
iv	W-Industries of Texas, LLC (America)	Sale and provision of system integration services (America)	100	100
iv	W-Industries of Louisiana, LLC (America)	Sale and provision of system integration services (America)	100	100
iii	CC American Oilfield, LLC (America)	Sale and provision of system integration services (America)	100	100
iv	Gulf Coast Power & Control of Louisiana, LLC (America)	Sale and provision of system integration services (America)	100	100
iii	CSE W-Industries Nigeria Ltd (Nigeria)	Sale and provision of system integration services (Nigeria)	100	100
iv	Volta, LLC (America)	Sale and provision of electrical control system (America)	100	100
iii	Volta Properties, LLC (America)	Lease of office and warehouse space (America)	100	100
iii	Select Building Controls, LLC (America)	Commercial building controls and automation (America)	100	100
iii	EPIC Engineering, LLC (America)	Project management, engineered design packages, field services, panel fabrication, networking and automation services (America)	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Group companies (cont'd)

	Name of Company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group 2024 %	2023 %
	Held by CSE W-Industries, Inc (cont'd)			
iii	EPIC Automation, LLC (America)	Project management, engineered design packages, field services, panel fabrication, networking and automation services (America)	100	100
	Held by CC American Oilfield LLC			
iii	R-M Transactions, LLC (America)	Dormant (America)	100	100
	Held by Volta LLC			
iii	Volta Services, LLC (America)	Dormant (America)	100	100
iii	Volta Technologies, LLC (America)	Dormant (America)	100	100
	Held by CSE Communications & Security Pte Ltd			
ii	PT CSE Communications & Security (10) (Indonesia)	Provision of turnkey telecommunications solutions (Indonesia)	100	100
iii	TransTel Engineering (Nigeria) Ltd (Nigeria)	Provision of turnkey telecommunications solutions (Nigeria)	80	80
ii	CSE Communications & Security Sdn Bhd (3) (Malaysia)	Provision of turnkey telecommunications solutions (Malaysia)	100	100
iii	TransTel Engineering Arabian Limited Co. (Saudi Arabia)	Provision of turnkey telecommunications solutions (Saudi Arabia)	100	100
ii	CSE TransTel India Private Limited (7) (India)	Sales and provision of telecommunications network systems (India)	100	100
iii	CSE TransTel Middle East FZE (Dubai)	Sales and provision of telecommunications network systems (Dubai)	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Group companies (cont'd)

	Name of Company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group 2024 %	2023 %
	Held by CSE-Global (Australia) Pty Ltd			
ii	CSE-Uniserve Corporation Pty Ltd (9) (Australia)	Distribution of electrical engineering equipment and investment holding (Australia)	100	100
ii	Astib Group Pty Ltd (9) (Australia)	Provision of telecommunications solutions and investment holding (Australia)	100	100
ii	CSE Crosscom Pty Ltd (9) (Australia)	Provision of telecommunications solutions (Australia)	100	100
ii	Orionet Limited (4) (New Zealand)	Provision of telecommunications solutions equipment (New Zealand)	100	100
ii	Orionet Pty Ltd (9) (Australia)	Provision of telecommunications solutions equipment (Australia)	50	50
	Held by CSE-Uniserve Corporation Pty Ltd			
ii	CSE-Uniserve Pty Ltd (9) (Australia)	Distribution of electrical engineering equipment (Australia)	100	100
ii	CSE New Zealand Ltd (4) (New Zealand)	Distribution of electrical engineering equipment and manufacture of process control and automation equipment (New Zealand)	100	100
ii	Linked Group Services Pty Ltd (9) ^^ (Australia)	Provision of trade services and renewable energy products (Australia)	100	–
ii	Linked Constructions Pty Ltd (9) ^^ (Australia)	Provision of trade services and renewable energy products (Australia)	100	–
	Held by CSE New Zealand Ltd			
ii	TL Parker Ltd (4) (New Zealand)	Provision of telecommunications solutions (New Zealand)	100	100
ii	Parker Communication Limited (4) (New Zealand)	Provision of telecommunications solutions (New Zealand)	100	100
ii	Orion NZ Radio Group Limited (4) (New Zealand)	Provision of telecommunications solutions (New Zealand)	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. **Group companies (cont'd)**

	Name of Company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group 2024 %	2023 %
	Held by Astib Group Pty Ltd			
ii	CSE-Transtel Pty Ltd [9] (Australia)	Provision of telecommunications solutions (Australia)	100	100
ii	CSE-Comsource Pty Ltd [9] (Australia)	Provision of telecommunications solutions (Australia)	100	100
	Held by CSE Crosscom Pty Ltd			
ii	RCS Telecommunications Pty Ltd [9] (Australia)	Provision of telecommunications solutions (Australia)	100	100
ii	Gambier Electronics Pty Ltd [9] (Australia)	Provision of telecommunications solutions (Australia)	100	100
ii	General Communications Pty Ltd [9] (Australia)	Provision of telecommunications solutions (Australia)	100	100
iii	Vertel SA Pty Ltd (Australia)	Provision of telecommunications solutions (Australia)	50	50
	Held by CSE-Crosscom (International) Pte Ltd			
ii	CSE Crosscom UK Limited [8] (United Kingdom)	Provision of telecommunications solutions and investment holding (United Kingdom)	100	100
iii	CSE Crosscom USA, Inc (America)	Investment holding (America)	100	100
	Held by CSE Crosscom UK Limited			
ii	CSE Crosscom Limited [8] (United Kingdom)	Provision of telecommunications solutions (United Kingdom)	100	100
ii	Zycomm Electronics Limited [8] (United Kingdom)	Provision of telecommunications solutions (United Kingdom)	100	100
ii	Radiotek Limited [8] (United Kingdom)	Provision of telecommunications solutions (United Kingdom)	100	100
ii	DTS.Solutions (U.K.) Ltd [8] (United Kingdom)	Provision of telecommunications solutions (United Kingdom)	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Group companies (cont'd)

	Name of Company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group 2024 %	2023 %
	Held by CSE Crosscom UK Limited (cont'd)			
ii	CSE Chatterbox Limited [(8)] (United Kingdom)	Provision of telecommunications solutions (United Kingdom)	100	100
	Held by CSE Crosscom USA, Inc			
iv	Radio One, Inc (America)	Provision of telecommunications solutions (America)	100	100
iv	Communications Service Co. (America)	Provision of telecommunications solutions (America)	100	100
iv	RFC Wireless, Inc ^^ (America)	Provision of telecommunications solutions (America)	100	–
	Held by CSE Technologies Pte Ltd			
ii	Logic Wireless Holdings Limited [(4)] (New Zealand)	Investment holding (New Zealand)	100	100
ii	Logic Wireless Holdings Pty Ltd [(4)] (Australia)	Investment holding (Australia)	100	100
ii	Logic Wireless Europe Limited [(6)] (United Kingdom)	Distribution of telecommunications solutions (United Kingdom)	100	100
	Held by Logic Wireless Holdings Limited			
ii	Logic Wireless Limited [(4)] (New Zealand)	Distribution telecommunications solutions (New Zealand)	100	100
	Held by Logic Wireless Holdings Pty Ltd			
ii	Logic Wireless Pty Ltd [(4)] (Australia)	Distribution of telecommunications solutions (Australia)	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

3. Group companies (cont'd)

(i) Audited by Ernst & Young LLP, Singapore

(ii) Audited by other auditors

(1) Audited by M.V Guruprasad, Chartered Accountants
(2) Audited by Beijing Zhong Yong LiQin, Certified Public Accountants
(3) Audited by RSM Malaysia
(4) Audited by BDO New Zealand
(5) Audited by Beijing Chinese Enterprise Kaiyuan Accounting Firm, Certified Public Accountants
(6) Audited by Martin and Company Audit Limited
(7) Audited by AFC Corporate Advisors Pvt Ltd
(8) Audited by Macintyre Hudson LLP
(9) Audited by BDO Australia Ltd
(10) Audited by Public Accounting Firm Urmaryadi, Ak, CPA

(iii) Not required to be audited under the laws of the country of incorporation.

(iv) Not required to be audited under the laws of the country of incorporation, but audited by Ernst & Young LLP, Singapore for the purpose of consolidation of the Group.

^ During the year, the Company has capitalised the loan into shares of CSE-Crosscom (International) Pte Ltd amounting to $28,465,000.

^^ In February 2024, the Group has acquired has acquired 100% equity interest in Linked Group Services Pty Ltd and Linked Constructions Pty Ltd (collectively referred as "Linked Group") (Note 5).

In March 2024, the Group has acquired the business of Carlton Staffing (referred as "Carlton") (Note 5).

In July 2024, the Group has acquired 100% equity interest in RFC Wireless, Inc (referred as "RFC Wireless") (Note 5).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. **Property, plant and equipment**

Group	Assets under construction $'000	Freehold land $'000	Buildings $'000	Leasehold improve-ments $'000	Plant and machinery $'000	Tools and equipment $'000	Office furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Cost:										
At 1 January 2023	7,136	3,510	27,528	8,025	30,400	19,234	5,033	10,294	13,198	124,358
Currency realignment	(185)	(85)	(768)	(65)	(570)	(216)	(132)	(9)	(143)	(2,173)
Additions	6,900	–	430	922	5,109	2,114	386	915	1,134	17,910
Acquisition of businesses (Note 5)	–	–	–	112	3,583	–	133	2,536	698	7,062
Disposals	–	–	–	(22)	(4,402)	(1,426)	(3,252)	(1,125)	(1,366)	(11,593)
Write-off	–	–	–	(57)	(32)	(57)	(25)	(150)	(1)	(322)
Reclassification	(11,648)	–	5,023	447	5,158	(1,740)	1,581	1,574	(395)	–
Reclassification to asset held-for-sale	–	(410)	(5,758)	–	(2)	–	(14)	–	–	(6,184)
At 31 December 2023 and 1 January 2024	2,203	3,015	26,455	9,362	39,244	17,909	3,710	14,035	13,125	129,058
Currency realignment	48	99	1,003	85	31	(928)	(221)	(16)	141	242
Additions	5,618	–	35	452	5,455	5,814	608	1,177	1,498	20,657
Acquisition of businesses (Note 5)	–	–	48	–	525	–	11	–	140	724
Disposals	–	–	(267)	(258)	(1,451)	(77)	(487)	(244)	(1,664)	(4,448)
Write-off	(418)	–	–	–	(11)	(18)	(28)	(11)	–	(486)
Reclassification	(2,732)	–	(111)	111	(8,736)	11,080	106	203	(391)	(470)
Reclassification to asset held-for-sale	–	(3,114)	(25,523)	–	(779)	–	(86)	–	–	(29,502)
At 31 December 2024	4,719	–	1,640	9,752	34,278	33,780	3,613	15,144	12,849	115,775

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. **Property, plant and equipment (cont'd)**

Group	Assets under construction $'000	Freehold land $'000	Buildings $'000	Leasehold improve-ments $'000	Plant and machinery $'000	Tools and equipment $'000	Office furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
Accumulated depreciation:										
At 1 January 2023	–	–	5,812	4,991	16,302	15,253	4,062	7,812	6,607	60,839
Currency realignment	–	–	(247)	(58)	(373)	(159)	(112)	(6)	(77)	(1,032)
Charge for the year	–	–	1,153	683	3,861	1,366	540	2,084	2,158	11,845
Disposals	–	–	–	(22)	(3,651)	(1,425)	(3,248)	(1,124)	(975)	(10,445)
Write-off	–	–	–	–	(7)	(51)	(6)	(148)	(1)	(213)
Reclassification	–	–	–	(214)	(374)	(363)	533	793	(375)	–
Reclassification to asset held-for-sale	–	–	(2,261)	–	(1)	–	(11)	–	–	(2,273)
At 31 December 2023 and 1 January 2024	–	–	4,457	5,380	15,757	14,621	1,758	9,411	7,337	58,721
Currency realignment	–	–	305	11	(134)	(783)	(138)	5	87	(647)
Charge for the year	–	–	1,083	1,015	3,299	2,251	636	2,632	1,926	12,842
Disposals	–	–	(233)	(254)	(1,353)	(60)	(475)	(241)	(1,213)	(3,829)
Write-off	–	–	–	–	–	(10)	(28)	(10)	–	(48)
Reclassification	–	–	(39)	39	(206)	215	(9)	–	–	–
Reclassification to asset held-for-sale	–	–	(4,763)	–	(480)	–	(78)	–	–	(5,321)
At 31 December 2024	–	–	810	6,191	16,883	16,234	1,666	11,797	8,137	61,718
Net carrying value:										
At 31 December 2024	4,719	–	830	3,561	17,395	17,546	1,947	3,347	4,712	54,057
At 31 December 2023	2,203	3,015	21,998	3,982	23,487	3,288	1,952	4,624	5,788	70,337

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

4. Property, plant and equipment (cont'd)

Company	Leasehold improvements $'000	Machinery $'000	Office furniture and fittings $'000	Computer equipment $'000	Motor vehicle $'000	Total $'000
Cost:						
At 1 January 2023	2,919	21	256	292	216	3,704
Additions	–	–	1	5	–	6
Disposals	–	–	(5)	(50)	–	(55)
At 31 December 2023 and 1 January 2024	2,919	21	252	247	216	3,655
Additions	5		1	2	–	8
Disposals	–	–	–	(3)	–	(3)
At 31 December 2024	2,924	21	253	246	216	3,660
Accumulated depreciation:						
At 1 January 2023	1,877	21	240	287	216	2,641
Charge for the year	292	–	4	4	–	300
Disposals	–	–	(5)	(49)	–	(54)
At 31 December 2023 and 1 January 2024	2,169	21	239	242	216	2,887
Charge for the year	292	–	4	3	–	299
Disposals	–	–	–	(2)	–	(2)
At 31 December 2024	2,461	21	243	243	216	3,184
Net carrying value:						
At 31 December 2024	463	–	10	3	–	476
At 31 December 2023	750	–	13	5	–	768

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Investment in subsidiaries and amounts due from/(to) subsidiaries

	Company	
	2024	2023
	$'000	$'000
Unquoted shares, at cost	313,901	285,436
Impairment losses	(62,366)	(62,366)
	251,535	223,070

Details of the subsidiaries are set out in Note 3.

	Company	
	2024	2023
	$'000	$'000
Impairment losses		
As at 1 January	62,366	63,724
Write back of impairment loss on investment in a subsidiary	–	(1,358)
As at 31 December	62,366	62,366

As at 31 December 2024 and 31 December 2023, the Group does not have any subsidiaries that have non-controlling interests (NCI) that are material to the Group.

Acquisition of businesses in 2024

Acquisition of business in United States

(i) RFC Wireless, Inc

In July 2024, a wholly-owned subsidiary of the Group, CSE Crosscom USA, Inc acquired 100% of the issued share capital in RFC Wireless, Inc ("RFC") for a consideration of USD 10.7 million (approximately $14.3 million).

The acquisition allowed the Group to expand and extend its existing radio communication business and solutions to its customers in the United States.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Acquisition of businesses in 2024 (cont'd)

Acquisition of business in United States (cont'd)

(i) RFC Wireless, Inc (cont'd)

The provisional fair values of the identifiable assets and liabilities acquired as follows:

	Provisional fair value recognised on acquisition $'000
Customer relationships	6,172
Property, plant and equipment	238
Inventories	454
Trade and other receivables	2,727
Cash and bank balances	714
Total assets	10,305
Contract liabilities	(770)
Trade and other payables	(2,273)
Loans and borrowings	(36)
Total liabilities	(3,079)
Total identifiable net assets at fair value	7,226
Goodwill arising from acquisition	7,119
Cash paid on acquisition	14,345
Less: cash and bank balances	(714)
Cash paid on acquisition, representing net cash outflow on acquisition	13,631

<u>Transaction costs</u>

Transaction costs relating to the acquisition of USD 309,000 (approximately $410,000) were recognised in the "administrative expense" line item in the Group's profit and loss for the year ended 31 December 2024.

<u>Impact on the acquisition on profit or loss</u>

Since the acquisition date, RFC has contributed USD 6,794,000 (approximately $8,886,000) of revenue.

If the business combination had taken place at the beginning of the year, revenue contributed would have been USD 14,902,000 (approximately $19,795,000).

<u>Provisional accounting of the acquisition of asset and business</u>

The purchase price allocation of the acquisition of asset and business in the financial year ended 31 December 2024 was provisional as the Group had sought a valuation for the acquisitions. The results of this valuation had not been finalised at the date the 2024 financial statements were authorised for issue.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. **Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)**

Acquisition of businesses in 2024 (cont'd)

Acquisition of business in United States (cont'd)

(i) RFC Wireless, Inc (cont'd)

Goodwill arising from acquisition

The goodwill arising from the acquisition of RFC comprises the value of expanding and strengthening the Group's market position in provision of radio communication business and solutions in the United States.

(ii) Carlton Staffing

In March 2024, a majority-owned subsidiary of the Group, Converge Resources, Inc acquired the business in Carlton Staffing ("Carlton") for a consideration of USD 0.8 million (approximately $1.1 million).

The acquisition allowed the Group to expand and provide staffing solutions to leading businesses and job seekers in the United States.

The fair values of the identifiable assets and liabilities acquired as follows:

	Fair value $'000
Goodwill arising from acquisition	1,077
Cash paid on acquisition, representing net cash outflow on acquisition	1,077

Transaction costs

Transaction costs relating to the acquisition is not significant.

Goodwill arising from acquisition

The goodwill arising from the acquisition of Carlton comprises the value of strengthening the Group's market position in provision of staffing and recruiting services in the United States.

Impact on the acquisition on profit or loss

Since the acquisition date, Carlton has contributed USD 8,893,000 (approximately $11,878,000) of revenue.

If the business combination had taken place at the beginning of the year, revenue contributed would have been USD 10,661,000 (approximately $14,226,000).

Acquisition of business in Australia

In February 2024, a wholly-owned subsidiary of the Group, CSE Uniserve Pty Ltd acquired 100% of the issued share capital in Linked Group Services Pty Ltd and Linked Constructions Pty Ltd (collectively referred as "Linked Group") for a consideration of AUD 3.5 million (approximately $3.1 million).

The acquisition allowed the Group to expand and extend its existing radio communication business and solutions to its customers in Australia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. **Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)**

Acquisition of businesses in 2024 (cont'd)

Acquisition of business in Australia (cont'd)

The fair values of the identifiable assets and liabilities acquired as follows:

	Fair value $'000
Property, plant and equipment	486
Trade and other receivables	805
Cash and bank balances	50
Total assets	1,341
Trade and other payables	(1,201)
Loans and borrowings	(140)
Total liabilities	(1,341)
Total identifiable net assets at fair value	–
Goodwill arising from acquisition	3,064
Cash paid on acquisition	3,064
Less: cash and bank balances	(50)
Cash paid on acquisition, representing net cash outflow on acquisition	3,014

Transaction costs

Transaction costs relating to the acquisition is not significant.

Goodwill arising from acquisition

The goodwill arising from the acquisition of Linked Group comprises the value of strengthening the Group's market position in providing access to a range of in-house products and customers focused on the renewable energy sector in Australia.

Impact on the acquisition on profit or loss

Since the acquisition date, Linked Group has contributed AUD 5,686,000 (approximately $5,025,000) of revenue.

If the business combination had taken place at the beginning of the year, revenue contributed would have been AUD 5,611,000 (approximately $4,958,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. **Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)**

Acquisition of businesses in 2023

Acquisition of business in New Zealand

In April 2023, a wholly-owned subsidiary of the Group, CSE New Zealand Ltd acquired 100% of the issued share capital in TL Parker Ltd, Parker Communication Limited and the remaining 50% shares in Orion NZ Radio Group Limited (collectively referred as "TL Parker") for a consideration of NZD 2.7 million (approximately $2.2 million).

The acquisition allowed the Group to expand and extend its existing radio communication business and solutions to its customers in New Zealand.

The purchase price allocation of the acquisition was provisional in the Group's financial statement for the year ended 31 December 2023. Subsequent to the completion of the purchase price allocation in current financial year, the Group made certain adjustments to the valuation of the business recorded the adjustments in the current financial year as follows:

	Fair value $'000	Adjustments $'000	Fair value recognised $'000
Customer relationship	–	530	530
Property, plant and equipment	349	–	349
Right-to-use assets	61	–	61
Inventories	130	–	130
Trade and other receivables	706	–	706
Cash and bank balances	2	–	2
Total assets	1,248	530	1,778
Trade and other payables	(603)	–	(603)
Lease liabilities	(59)	–	(59)
Loans and borrowings	(35)	–	(35)
Deferred tax liability	–	(149)	(149)
Tax payables	(8)	–	(8)
Total liabilities	(705)	(149)	(854)
Total identifiable net assets at fair value	543	381	924
Goodwill arising from acquisition	1,670	(381)	1,289
Cash paid on acquisition	2,213	–	2,213
Less: cash and bank balances	(2)	–	(2)
Less: contingent consideration	(812)	–	(812)
Cash paid on acquisition, representing net cash outflow on acquisition	1,399	–	1,399

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Acquisition of businesses in 2023 (cont'd)

Acquisition of business in New Zealand (cont'd)

Transaction costs

Transaction costs relating to the acquisition were not significant.

Goodwill arising from acquisition

The goodwill arising from the acquisition of TL Parker comprises the value of strengthening the Group's market position in radio communication businesses in New Zealand.

Impact on the acquisition on profit or loss

Since the acquisition date, TL Parker had contributed NZD 3,431,000 (approximately $2,794,000) of revenue.

If the business combination had taken place at the beginning of the year, revenue contributed would have been NZD 4,646,000 (approximately $3,820,000).

Contingent consideration arrangement

As part of the purchase agreement with the previous owner of TL Parker, Earnout payment will be payable after 36 months from the acquisition date if TL Parker attains the Earnout Target.

Acquisition of business in Singapore

In March 2023, the Group acquired 100% of the issued share capital in Grid Communications Pte Ltd ("Grid") for a consideration of $2.9 million.

The acquisition allowed the Group to continue to expand and extend its existing communication business solutions to its customers in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Acquisition of businesses in 2023 (cont'd)

Acquisition of business in Singapore (cont'd)

The fair values of the identifiable assets and liabilities acquired as follows:

	Fair value recognised on acquisition $'000
Intangible asset	10
Customer relationship	1,666
Property, plant and equipment	3,233
Right-to-use assets	279
Contract assets	1,802
Trade and other receivables	2,359
Cash and bank balances	3,878
Total assets	13,227
Trade and other payables	(9,816)
Tax payable	(386)
Deferred tax liabilities	(283)
Lease liabilities	(279)
Total liabilities	(10,764)
Total identifiable net assets at fair value	2,463
Goodwill arising from acquisition	397
Cash paid on acquisition	2,860
Less: cash and bank balances	(3,878)
Cash received on acquisition, representing net cash inflow on acquisition	(1,018)

Transaction costs

Transaction costs relating to the acquisition were not significant.

Goodwill arising from acquisition

The goodwill arising from the acquisition of Grid comprises the value of strengthening the Group's market position in provision of communication business solutions in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Acquisition of businesses in 2023 (cont'd)

Acquisition of business in Singapore (cont'd)

Impact on the acquisition on profit or loss

Since the acquisition date, Grid had contributed $12,100,000 of revenue.

If the business combination had taken place at the beginning of the year, revenue contributed would have been $14,693,000.

Acquisition of business in United States

In January 2023, a wholly-owned subsidiary of the Group, CSE Crosscom USA, Inc acquired 100% of the issued share capital in Radio One, Inc and Communication Service Co. (collectively referred as "Radio One") for a consideration of USD10.3 million (approximately $13.9 million). The acquisition allowed the Group to expand and extend its existing radio communication business and solutions to its customers in the United States.

The fair values of the identifiable assets and liabilities acquired as follows:

	Fair value recognised on acquisition $'000
Customer relationships	2,847
Property, plant and equipment	3,480
Inventories	3,254
Trade and other receivables	2,330
Cash and bank balances	81
Total assets	11,992
Trade and other payables	(7,400)
Loans and borrowings	(1,486)
Total liabilities	(8,886)
Total identifiable net assets at fair value	3,106
Goodwill arising from acquisition	10,757
Cash paid on acquisition	13,863
Less: cash and bank balances	(81)
Cash paid on acquisition, representing net cash outflow on acquisition	13,782

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Acquisition of businesses in 2023 (cont'd)

Acquisition of business in United States (cont'd)

Transaction costs

Transaction costs relating to the acquisition of USD 138,000 (approximately $186,000) were recognised in the "administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2023.

Goodwill arising from acquisition

The goodwill arising from the acquisition of Radio One comprises the value of expanding and strengthening the Group's market position in provision of radio communication business and solutions in the United States.

Impact on the acquisition on profit or loss

Since the acquisition date, Radio One has contributed USD 15,883,000 (approximately $21,364,000) of revenue.

If the business combination had taken place at the beginning of the year, revenue contributed would have been USD 17,267,000 (approximately $23,231,000).

Amounts due from subsidiaries

	Company	
	2024	**2023**
	$'000	**$'000**
Amounts due from subsidiaries, current:		
Trade	6,333	8,369
Non-trade	55,199	55,466
Short term loans	62,344	56,423
	123,876	120,258

Amounts due from subsidiaries denominated in foreign currencies at 31 December are as follows:

	Company	
	2024	**2023**
	$'000	**$'000**
United States Dollars	80,156	86,831
British Pounds Sterling	6,880	7,682
Australia Dollars	22,788	13,586

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

5. Investment in subsidiaries and amounts due from/(to) subsidiaries (cont'd)

Amounts due to subsidiaries

	Company	
	2024	2023
	$'000	$'000
Amounts due to subsidiaries, current:		
Trade	1,127	828
Non-trade	1,276	1,279
Short term loans	58,786	70,876
	61,189	72,983

Amounts due to subsidiaries denominated in foreign currencies at 31 December are as follows:

	Company	
	2024	2023
	$'000	$'000
United States Dollars	34,336	23,902

The trade and non-trade amounts due from/(to) subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

The short term loans due from subsidiaries bear interest at 5.3% to 8.0% per annum (2023: 5.0% to 8.0%).

The short term loans due to subsidiaries bear interest at 2.8% to 4.9% per annum (2023: 3.8% to 4.5%).

6. Derivative liability

	Group and Company			
	Notional amount		Liability	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Interest rate swap, representing financial liability at fair value through profit or loss	–	21,392	–	(6)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7. Intangible assets

Group	Goodwill $'000	Sales order backlog $'000	Non-compete agreement $'000	Licences $'000	Intellectual property rights $'000	Customer relationships $'000	Technical know-how $'000	Total $'000
Cost:								
At 1 January 2023	88,907	2,255	1,970	1,801	503	24,682	3,761	123,879
Currency realignment	(1,521)	(53)	(47)	(5)	(11)	(416)	(91)	(2,144)
Additions	–	–	–	900	–	–	–	900
Acquisition of businesses (Note 5)	13,471	–	–	10	–	4,701	–	18,182
At 31 December 2023 and 1 January 2024	100,857	2,202	1,923	2,706	492	28,967	3,670	140,817
Currency realignment	(568)	71	63	7	17	(305)	121	(594)
Additions	–	–	–	–	134	–	–	134
Acquisition of businesses (Note 5)	10,879	–	–	–	–	6,702	–	17,581
Reclassification	3,510	–	–	–	–	(1,175)	–	2,335
At 31 December 2024	114,678	2,273	1,986	2,713	643	34,189	3,791	160,273
Accumulated amortisation and impairment loss:								
At 1 January 2023	24,124	2,255	1,383	1,757	79	12,602	853	43,053
Currency realignment	(372)	(53)	(38)	(4)	(2)	(184)	(35)	(688)
Amortisation for the year	–	–	196	117	25	3,993	689	5,020
At 31 December 2023 and 1 January 2024	23,752	2,202	1,541	1,870	102	16,411	1,507	47,385
Currency realignment	496	71	54	6	3	(177)	56	509
Amortisation for the year	–	–	194	123	26	4,300	317	4,960
At 31 December 2024	24,248	2,273	1,789	1,999	131	20,534	1,880	52,854
Net carrying value:								
At 31 December 2024	90,430	–	197	714	512	13,655	1,911	107,419
At 31 December 2023	77,105	–	382	836	390	12,556	2,163	93,432
Remaining amortisation period (years):								
At 31 December 2024	NA	–	1	7	5 - 15	3 - 8	6	NA
At 31 December 2023	NA	–	2	Less than 1 - 8	16	Less than 1 - 8	Less than 1 - 7	NA

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7. Intangible assets (cont'd)

Licences

The licences are related to industrial design rights for automatic chemical resistance starters for electric motors and rights to use Public Safety Long-Term Evolution network.

Intellectual property rights

Intellectual property rights relate to the patented and unpatented technologies of tracking system, lock device, water treatment system, database ownership and web domain.

Technical know-how

Technical know-how relates to the know-how acquired to develop the water treatment system and low voltage switchgears.

Company	Licences $'000
Cost:	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,612
Accumulated amortisation:	
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,612
Net carrying value:	
At 31 December 2024 and 31 December 2023	–

Amortisation of intangibles assets other than goodwill are included in the "Other expenses" line item in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7. Intangible assets (cont'd)

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to the Group's cash-generating units (CGU) identified according to each individual business unit for impairment testing. The carrying amounts of goodwill less accumulated impairment losses are allocated as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
CSE W-Industries, Inc.		
– Gulf Coast Power & Control of Louisiana, LLC	1,610	1,558
– Volta, LLC	18,189	17,606
– W-Industries of Texas, LLC	7,981	7,725
CSE-Global (Australia) Pty Ltd		
– Uniserve Group	4,671	4,983
– CSE New Zealand Ltd	978	1,068
– Telecommunications business	16,917	15,313
CSE-Global (Asia) Pte Ltd		
– CSE-EIS (Malaysia) Sdn Bhd	486	486
CSE Crosscom UK group		
– Chatterbox Ltd	2,493	2,465
– Zycomm Electronics Ltd	32	32
– Radiotek Ltd	1,210	1,196
– DTS.Solutions (U.K.) Ltd	480	474
CSE Technologies Pte Ltd		
– Logic Wireless	12,314	13,306
CSE Crosscom USA Inc		
– Radio One	14,354	10,496
– RFC Wireless, Inc	7,230	–
Grid Communications Pte Ltd	397	397
Carlton Staffing	1,088	–
	90,430	77,105

The recoverable amounts of the CGUs are determined based on value-in-use ("VIU") calculations. The VIU calculations use 5-year cash flow projections based on financial forecasts with terminal value approved by management. Management has considered and determined the factors applied in these financial forecasts which include forecasted gross margins and average growth rates. The forecasted gross margins are based on past performance and its expectation of market development. Average growth rates of 0.5% to 15% (2023: 0.5% to 10%) used are consistent with forecasts based on existing contracts and book orders. The discount rate applied are assumed at 5.8% (2023: 9.1%) for VIU calculations, which the Group has assessed as its weighted average cost of capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

7. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

Key assumptions used in the value in use calculations are as follows:

Forecasted gross margins - Gross margins are based on average values achieved in the year preceding the start of the forecast period. These have been forecasted to remain constant over the budget period.

Discount rates - Discount rate used reflecting management's estimate of the risks and the expected returns after tax from the CGUs.

<u>Sensitivity to changes in assumptions</u>

With regards to the assessment of value-in-use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

If the management's estimated discount rate applied to the cash flow projections had been increased by 1.0% to 3.0% (2023: 1.0% to 3.0%), this would result in a 24% to 70% (2023: 11% to 46%) decrease to the recoverable amount of the CGU, which would still be in excess of the carrying amount.

8. Deferred tax assets/(liabilities)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of deferred tax balances (after offset) for balance sheet presentation purpose:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax assets	7,591	7,018	760	540
Deferred tax liabilities	(6,965)	(6,136)	–	–
	626	882	760	540

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

8. **Deferred tax assets/(liabilities) (cont'd)**

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
This can be analysed as follows:				
Deferred tax assets:				
Provisions	4,511	4,419	674	293
Unutilised tax losses	1,973	1,404	–	–
Revenue recognised on accrual basis	295	556	295	556
Gross deferred tax assets	6,779	6,379	969	849
Deferred tax liabilities:				
Differences in depreciation and amortisation	(3,964)	(3,002)	(185)	(309)
Provisions	(754)	(630)	–	–
Fair value adjustments arising from acquisition of businesses	(1,435)	(1,865)	–	–
Others	–	–	(24)	–
Gross deferred tax liabilities	(6,153)	(5,497)	(209)	(309)
Net deferred tax assets	626	882	760	540

Recognised tax losses, capital allowance and donations

As at 31 December 2024, the Group has $10,554,000 (2023: $7,666,000) recognised tax losses available of the companies in which the losses arose. The use of the tax losses are subject to the agreement of the tax authorities and compliance with tax regulations of the respective countries in which the subsidiary companies operate. As at 31 December 2024, the tax losses have no expiry date.

Unused tax losses for which no deferred tax asset is recognised

At the end of the reporting period, the Group has tax losses of approximately $56,149,000 (2023: $41,843,000) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting period, no deferred tax liability (2023: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has control over the distribution of the earnings and has determined that undistributed earnings of the subsidiaries will not be distributed in the foreseeable future.

Tax consequences of proposed dividends

There are no income tax consequences (2023: $Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 34).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

9. Contract assets and contract liabilities

Information about contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Group	
	2024	**2023**
	$'000	**$'000**
Contract assets	121,160	124,765
Contract liabilities	(85,686)	(96,703)
	35,474	28,062

The Group has not recognised any impairment losses on receivables arising from contracts with customers for the year ended 31 December 2024 (2023: $Nil).

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for project revenue. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances received from customers for project revenue.

Contract liabilities are recognised as revenue as the Group performs the work under the contract.

10. Inventories

	Group	
	2024	**2023**
	$'000	**$'000**
Balance sheet:		
Spare parts	6,073	5,682
Trading goods	51,824	63,802
Inventories in transit	825	1,280
Total inventories at lower of cost and net realisable value	58,722	70,764
Income statement:		
Inventories recognised as an expense in profit or loss		
– Inventories recognised as an expense in cost of sales	412,832	346,899
– Writeback of inventories, net	(1,048)	(373)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Current:				
Trade receivables	117,242	110,309	1,138	827
Other receivables	24,519	10,613	–	16
Accrued sales	22,679	29,734	–	–
Refundable deposits	2,576	2,072	185	185
Staff advances	170	129	–	–
GST receivables	104	156	–	–
Total trade and other receivables	167,290	153,013	1,323	1,028
Add:				
Amounts due from subsidiaries (Note 5)	–	–	123,876	120,258
Cash and bank balances (Note 12)	57,401	39,426	9,455	3,321
Finance lease receivables (Note 24)	212	389	–	–
Less:				
GST receivables	(104)	(156)	–	–
Total financial assets carried at amortised cost	224,799	192,672	134,654	124,607

Trade receivables arise from contracts with customers and are non-interest bearing and are generally on 30-day to 120-day terms (2023: 30-day to 120-day terms). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade and other receivables denominated in foreign currencies other than functional currencies of respective entities at 31 December are as follows:

	Group	
	2024	2023
	$'000	$'000
United States Dollars	929	5,192

None of the Company's trade and other receivables are denominated in foreign currencies.

Staff advances

Staff advances are unsecured and non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

11. Trade and other receivables (cont'd)

Expected credit losses

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follows:

	Group Trade receivables	
	2024	**2023**
	$'000	**$'000**
Movement in allowance accounts		
At 1 January	4,491	1,494
Charge for the year, net	1,588	3,179
Acquisition of subsidiaries	696	108
Written off	(2,536)	(181)
Currency realignment	(113)	(109)
At 31 December	4,126	4,491

There is no expected credit loss made on the Company's trade receivables on 31 December 2023 and 31 December 2024.

12. Cash and bank balances

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Short-term deposits	1,107	795	–	–
Cash at banks and on hand	56,294	37,585	9,455	3,321
Restricted cash from acquisition of subsidiaries and disposal of a property	–	1,046	–	–
	57,401	39,426	9,455	3,321

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 month and 18 months (2023: 6 months and one year) depending on the immediate cash requirements of the Group, and earn interest ranging from 1.25% to 7.25% (2023: 1.25% to 7.10%) per annum.

The fixed deposits qualify as cash equivalents because there is effectively no penalty for early withdrawal as the interest earned is substantially consistent with what the Group would have earned on a similar deposit type for a similar term of less than three months.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

12. Cash and bank balances (cont'd)

Cash and short-term deposits denominated in foreign currencies other than functional currencies of respective entities at 31 December are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollars	4,176	4,249	571	1,417
British Pounds Sterling	383	618	84	122
Australian Dollars	125	100	93	100
Euro	803	122	78	70

At the end of the reporting period, no funds held in escrow (2023: $1,046,000) which are not freely remissible for use by the Group.

13. Trade payables and accruals

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Current:				
Trade payables	64,220	69,533	294	2,009
Accruals	50,291	52,940	2,229	2,928
GST payables	4,969	4,539	37	48
	119,480	127,012	2,560	4,985
Non-current:				
Other liabilities	1,189	2,372	–	–
Total trade payables and accruals	120,669	129,384	2,560	4,985
Add:				
Amounts due to subsidiaries (Note 5)	–	–	61,189	72,983
Lease liabilities (Note 27)	25,165	27,775	1,024	1,720
Loans and borrowings (Note 14)	129,474	115,427	129,474	112,291
Less:				
GST payables	(4,969)	(4,539)	(37)	(48)
Total financial liabilities carried at amortised cost	270,339	268,047	194,210	191,931

Trade payables and accruals are non-interest bearing and are normally settled on 60-day terms (2023: 60-day terms).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

13. Trade payables and accruals (cont'd)

Trade payables and accruals denominated in foreign currencies other than functional currencies of respective entities at 31 December are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
United States Dollars	7,547	6,424	3	1
British Pounds Sterlings	109	354	1	4
Australian Dollars	518	3	7	3
Euro	692	2,420	–	13

14. Loans and borrowings

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Short term trust receipts, unsecured				
– Singapore Dollars	630	2,497	630	2,497
– United States Dollars	–	273	–	273
– Australian Dollars	–	2,136	–	–
Short term bank and other loans, unsecured				
– Singapore Dollars	69,601	42,802	69,601	41,802
– United States Dollars	19,583	986	19,583	986
– Australian Dollars	11,135	5,941	11,135	5,941
– New Zealand Dollars	2,170	2,711	2,170	2,711
– Pound Sterling	5,755	6,953	5,755	6,953
– European Dollars	–	31,628	–	31,628
	108,874	95,927	108,874	92,791
Long term bank loan, unsecured				
– Singapore Dollars	20,600	19,500	20,600	19,500
Total loans and borrowings	129,474	115,427	129,474	112,291

The unsecured loans of the Company and the Group bear interest at 3.75% to 5.62% (2023: 4.37% to 6.95%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

14. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	Group	
	2024	2023
	$'000	$'000
At 1 January	115,427	106,415
Net proceeds of borrowings	14,623	8,206
Non-cash changes:		
– Acquisition of subsidiaries	176	1,521
– Foreign exchange movement	(752)	(715)
At 31 December	129,474	115,427

15. Provision for warranties

	Group	
	2024	2023
	$'000	$'000
At 1 January	316	595
Provision for warranties made/(reversed), net	651	(252)
Provision utilised	(42)	(19)
Currency realignment	(11)	(8)
At 31 December	914	316

Provision for warranties relates to estimated costs for possible rectification work during the warranty period of the Group's projects. The provision for such costs is based on estimates made from historical data associated with similar projects. Upon the expiry of the warranty period, the Group would proceed to write back any unused portion of the warranty provision.

16. Share capital and treasury shares

(a) *Share capital*

	Group and Company			
	2024		2023	
	No of shares '000	$'000	No of Shares '000	$'000
Issued and fully paid ordinary shares				
At 1 January	618,548	131,902	618,548	131,902
Shares issued pursuant to placement shares	60,000	23,209	–	–
Shares issued pursuant to Scrip Dividend Scheme	28,286	11,279	–	–
At 31 December	706,834	166,390	618,548	131,902

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

16. Share capital and treasury shares (cont'd)

(a) Share capital (cont'd)

The holders of ordinary shares except treasury shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

In 2024, 60,000,000 ordinary shares of the Company at the issue price of S$0.40 were issued following the completion of the placement, raising net proceeds of $23,209,000. The equity raised was for the acquisition of synergistic communication businesses.

During the year, the net proceeds of S$14,345,000 raised from the placement exercise had been utilised to fund the acquisition of RFC Wireless, Inc.

(b) Treasury shares

	Group and Company			
	2024		2023	
	No of shares '000	Amount $'000	No of shares '000	Amount $'000
At 1 January and 31 December	(413)	(244)	(3,666)	(1,910)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

(c) Share-based payment reserve

Share-based payment reserve represents the equity-settled compensation under the CSE Performance Share Plan. The reserve is made up of the cumulative value of services received from employees that has vested during the year.

17. Other reserves

Other reserves comprised the differences in share prices resulting from the re-issuance of treasury shares ($142,000) (2023: $151,000), and premium paid on acquisition of non-controlling interests from the purchase of Transtel Arabia Limited Co and Transtel Engineering (M) Sdn Bhd of approximately $$9,875,000 and ($32,000) (2023: $9,875,000 and ($32,000)) respectively.

18. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Revenue

(a) *Disaggregation of revenue*

Segments	Project revenue		Time and material revenue		Maintenance revenue		Equipment rental		Total revenue	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Business segment										
Electrification	316,018	202,463	114,668	130,904	4,034	1,096	58	85	434,778	334,548
Communications	21,234	27,232	176,086	165,671	5,682	4,775	29,034	22,854	232,036	220,532
Automation	95,268	92,891	58,200	45,478	40,833	31,536	58	66	194,359	169,971
	432,520	322,586	348,954	342,053	50,549	37,407	29,150	23,005	861,173	725,051
Timing of transfer of goods or services										
At a point in time	–	–	348,954	342,053	–	–	–	–	348,954	342,053
Over time	432,520	322,586	–	–	50,549	37,407	29,150	23,005	512,219	382,998
	432,520	322,586	348,954	342,053	50,549	37,407	29,150	23,005	861,173	725,051

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

19. Revenue (cont'd)

(b) Recognition of project revenue over time

For the project revenue where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the projects. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the projects.

The determination of total budgeted costs, progress towards completion, variation orders and claims and remaining costs to completion for each contract requires significant management judgement and estimation. Management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred in its other similar projects, analysed by different business segments for the past years.

20. Other non-operating income

	Group	
	2024	**2023**
	$'000	**$'000**
Miscellaneous income	1,870	856
Foreign exchange (loss)/gain, net	(2,072)	368
(Loss)/gain on disposal of property, plant and equipment	(322)	70
Gain on disposal of asset held-for-sale	588	–
Gain on liquidation of a subsidiary	266	–
Other (expenses)/income	(52)	24
	278	1,318

21. Finance income

	Group	
	2024	**2023**
	$'000	**$'000**
Interest income from:		
–Short-term deposits	613	359
–Held-to-maturity investment	–	4
Unrealised fair value gain on financial instrument	–	190
	613	553

22. Finance costs

	Group	
	2024	**2023**
	$'000	**$'000**
Interest expense on bank loans	7,813	9,867
Accretion of interest on lease liabilities	1,160	786
	8,973	10,653

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

23. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2024	2023
	$'000	$'000
Audit services paid to: -		
– Auditor of the Company		
– Statutory audit	527	508
– Other assurance services	35	45
– Other auditors of subsidiaries	471	417
Non-audit services paid to:		
– Auditor of the Company	100	50
– Member firm of Ernst & Young Global Limited	–	203
– Other auditors of subsidiaries	84	230
Loss/(gain) on disposal and write-off of property, plant and equipment	322	(70)
Gain on disposal of asset held-for-sale	(588)	–
Depreciation of property, plant and equipment (Note 4)	12,842	11,845
Depreciation of right to use assets (Note 27)	9,905	7,071
Amortisation of intangible assets (Note 7)	4,960	5,020
Writeback of inventories, net (Note 10)	(1,048)	(373)
Allowance for expected credit loss on trade receivables, net (Note 11)	1,588	3,179
Provision for warranties made/(reversed), net (Note 15)	651	(252)
Rental expenses for short-term leases	4,821	6,084
Settlement of arbitration#	10,414	–
Personnel and related costs comprising:		
Salaries and bonuses	82,312	74,081
Share-based compensation *	2,427	1,373
Employees' provident fund	4,804	4,107
Other personnel and related costs	15,576	12,337
Directors' fees		
– Directors of the Company	513	496

* *Under the performance share plan, the Group awards the performance shares by taking into account the profitability of the year. Accordingly, $2.43 million was recorded under share payment reserve upon achieving the full year target.*

\# *Relates to the full and final settlement of all claims asserted by a customer in the arbitration proceedings against Hankin Environmental Systems, Inc., a wholly owned subsidiary of the Company, in relation to delays in the performance of its contracted works in a project.*

A total of 5,220,004 (2023: 3,193,023) performance shares ("Performance Shares") were awarded in February 2025 (2023: February 2024) to the Executive Director and key management personnel of the Company (the "Participants") for their performance in FY2024 (2023: FY2023).

Part of the Performance Shares awarded are subject to a moratorium period of 1 to 5 years from the date of award against any disposal or sale and/or other dealings in the shares.

The Performance Shares will be released to the Participants via the release of Treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

24. Finance lease receivables

The Group leases equipment to third parties under finance lease.

	Group	
	2024	**2023**
	$'000	**$'000**
Finance lease receivables		
Current	51	166
Non-current	161	223
Total finance lease receivables	212	389

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2024	**2023**
	$'000	**$'000**
Less than one year	55	181
One to two years	46	57
Two to three years	45	48
Three to four years	45	48
Four to five years	30	48
More than five years	–	31
Total undiscounted lease receivables	221	413
Unearned finance income	(9)	(24)
Total finance lease receivables	212	389

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

25. Income tax expense

The major components of income tax expense for the years ended 31 December are:

	Group	
	2024	2023
	$'000	$'000
Current income tax		
Current income taxation		
– Singapore	2,784	1,969
– Foreign	9,454	6,672
Over provision in respect of previous years	(2,982)	(121)
	9,256	8,520
Deferred income tax (credit)/expense		
Origination and reversal of temporary differences		
– Singapore	(360)	(736)
– Foreign	103	(996)
(Over)/under provision in respect of previous years	(3)	110
	(260)	(1,622)
Tax expense	8,996	6,898
Withholding tax	241	195
Tax expense	9,237	7,093
Tax expense recognised in the statement of comprehensive income	9,237	7,093

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

25. Income tax expense (cont'd)

A reconciliation between the tax expense and the product of accounting profit before tax multiplied by the applicable tax rate for the financial years ended 31 December can be analysed as follows:

	Group	
	2024 $'000	2023 $'000
Profit before tax	35,683	29,557
Taxation at statutory tax rate of 17% (2023:17%)	6,066	5,025
Adjustments:		
Different effective tax rates of other countries	2,560	2,119
Expenses not deductible for tax purposes	2,011	1,723
Benefits from previously unrecognised tax losses	(1,398)	(1,308)
Income not subject to tax	(792)	(437)
Effect of tax deductions and reliefs	(50)	(62)
Deferred tax assets not recognised	3,120	126
Over provision in respect of previous year	(2,985)	(11)
Withholding tax	241	195
Others	464	(277)
	9,237	7,093

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction. The statutory tax rate applicable to the companies incorporated in Singapore, United States of America, United Kingdom, New Zealand and Australia were 17%, 21%, 25%, 28% and 30% respectively for year of assessment 2023 (2023: 17%, 21%, 25%, 28% and 30%).

26. Earnings per share

Basic earnings per share amounts are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

26. Earnings per share (cont'd)

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2024	**2023**
	$'000	**$'000**
Profit for the year attributable to owners of the Company	26,345	22,527

	No. of shares*	
	2024	**2023**
	'000	**'000**
Weighted average number of shares for basic earnings per share computation:		
Outstanding during the year	674,575	614,882

Diluted earnings per share

The weighted average number of ordinary shares adjusted for the effect of all dilutive potential ordinary shares is determined as follows:

	No. of shares*	
	2024	**2023**
	'000	**'000**
Weighted average number of shares outstanding during the year, used in the computation of diluted earnings per share	674,575	614,882

* *Rounded to the nearest thousand.*

27. Leases – *As a leasee*

The Group has entered into leases for buildings, tools & equipment, office furniture & fittings, computer equipment and motor vehicles. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension options, which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. Leases – *As a leasee (cont'd)*

Set out below the carrying amounts of right-to-use assets are recognised and the movements during the financial year:

Group	Buildings $'000	Tools and equipment $'000	Office furniture and fittings $'000	Computer equipment $'000	Motor vehicles $'000	Total $'000
At 1 January 2023	18,288	12	166	289	1,008	19,763
Additions	12,064	652	–	–	1,790	14,506
Acquisition of subsidiaries	–	251	8	–	81	340
Write-off	(805)	–	–	–	(198)	(1,003)
Depreciation expenses	(5,802)	(531)	(55)	(112)	(571)	(7,071)
Currency realignment	(288)	–	(2)	(5)	(25)	(320)
At 31 December 2023 and 1 January 2024	23,457	384	117	172	2,085	26,215
Additions	6,167	676	58	25	437	7,363
Write-off	–	–	–	–	(24)	(24)
Depreciation expenses	(8,505)	(498)	(53)	(123)	(726)	(9,905)
Currency realignment	(56)	–	(5)	3	(62)	(120)
At 31 December 2024	21,063	562	117	77	1,710	23,529
Remaining lease term (years)	1 - 8	1 - 3	1 - 5	2	1 - 6	NA

Company	Buildings $'000	Office furniture and fittings $'000	Total $'000
At 1 January 2023	1,820	50	1,870
Depreciation expenses	(533)	(12)	(545)
At 31 December 2023 and 1 January 2024	1,287	38	1,325
Depreciation expenses	(532)	(12)	(544)
At 31 December 2024	755	26	781
Remaining lease term (years)	1	2	NA

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. Leases – *As a lease (cont'd)*

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Group $'000	Company $'000
At 1 January 2023	21,675	2,385
Additions	14,506	–
Acquisition of subsidiaries	338	–
Write-off	(1,116)	–
Accretion of interest	829	62
Payments	(8,135)	(727)
Currency realignment	(322)	–
At 31 December 2023 and 1 January 2024	27,775	1,720
Additions	7,363	–
Write-off	(24)	–
Accretion of interest	1,178	44
Payments	(10,967)	(740)
Currency realignment	(160)	–
At 31 December 2024	25,165	1,024

	Group		Company	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Current	10,215	8,380	699	669
Non-current	14,950	19,395	325	1,051
	25,165	27,775	1,024	1,720

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

27. Leases – *As a lease (cont'd)*

Effective interest rates

The weighted average effective interest rate of the leases is 5.30% and 3.25% per annum (2023: 4.95% and 3.26%) at the balance sheet date for the Group and Company respectively.

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	$'000	**$'000**	**$'000**	**$'000**
Depreciation expense of right-of-use assets	9,905	7,071	544	545
Interest expense on lease liabilities	1,178	829	44	62
Expense relating to short-term leases (included in cost of sales and administrative expense)	4,821	6,084	–	–
Total amount recognised in profit or loss	15,904	13,984	588	607

The Group had total cash outflows for leases of $15,788,000 in 2024 (2023: $14,219,000).

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

28. Asset held-for-sale

Asset classified as held-for-sale as at 31 December 2024 refers to land and building located in Houston, United States (2023: land and building located in Louisiana, United States), which has been classified as asset held-for-sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

29. Segment information

For management purpose, the Group is organised into three operating segments based on their geographical locations, namely Asia Pacific, Americas and Europe/Middle East. The geographical segments are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Geographical information

The following table presents revenue, adjusted earnings before interest, taxes, depreciation and amortisation information regarding geographical segments for the years ended 31 December 2024 and 2023:

	Asia Pacific		Americas		Europe/Middle East		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Sales to external customers	292,637	268,897	546,337	434,630	22,199	21,524	861,173	725,051
Earnings before interest, taxes, depreciation and amortisation	40,030	40,940	38,990	19,299	3,162	3,397	82,182	63,636

The following table presents non-current assets information based on the geographical location as at 31 December 2024 and 2023:

	Asia Pacific		Americas		Europe/Middle East		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-current assets *	68,292	62,969	83,983	91,492	9,201	9,308	161,476	163,769

* *Non-current assets relate to property, plant and equipment and intangible assets.*

Business segment information

The following table presents revenue, adjusted earnings before interest, taxes, depreciation and amortisation information regarding business segments for the years ended 31 December 2024 and 2023:

	Electrification		Communications		Automation		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Sales to external customers	434,778	334,548	232,036	220,532	194,359	169,971	861,173	725,051
Earnings before interest, taxes, depreciation and amortisation	42,724	29,662	25,649	27,816	13,809	6,158	82,182	63,636

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

30. Related party transactions

(a) *Related party transactions*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related companies took place at terms agreed between the parties during the financial year:

	Company	
	2024	**2023**
	$'000	**$'000**
Management fee received	9,933	8,539
Royalties/licensing/agency fees received	42	25
Interest received	4,655	5,147
Rental income received	824	814
Sales commission received	1,456	1,276
Dividend received	20,044	15,081
Interest paid	(1,438)	(1,618)

Related companies:

These are subsidiaries of CSE Global Limited.

(b) *Compensation of directors and key management personnel*

	Group	
	2024	**2023**
	$'000	**$'000**
Short-term employee benefits	7,977	6,615
Shared based compensation	2,427	1,373
Central Provident Fund contributions	58	57
Directors fees	513	496
	10,975	8,541
Comprise amounts paid to:		
Directors of the Company	3,250	2,596
Other key management personnel	7,725	5,945
	10,975	8,541

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. Financial risk management objectives and policies

The Group's principal financial instruments comprise bank loans, cash and bank balances. The main purpose of these financial instruments is to finance the Group's operations. All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors resolutions and banking mandates which define the permitted financial instruments and facilities limits, approved by the Board of Directors. All financial transactions require dual signatories. The Group has various other financial assets and liabilities such as trade receivables, trade payables, and lease liabilities which arise directly from its operations.

The Group is exposed to changes in market interest rate as the Group has floating interest rate borrowings. In order to minimise the adverse effects on the financial performance of the Group, derivative financial instruments, such as interest rate swap are used to hedge the interest rate risk.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Singapore Dollar (SGD), United States Dollar (USD), British Pound (GBP), Euro (EUR), New Zealand Dollar (NZD) and Australia Dollar (AUD). Approximately 99% (2023: 99%) of the Group's sales and approximately 86% (2023: 86%) of costs including taxes are denominated in the respective functional currencies of the Group entities. The Group's trade receivables and trade payables balances at the end of the reporting period have similar exposures with 99% (2023: 95%) and 93% (2023: 89%) denominated in their respective functional currencies.

The Group and the Company also hold cash and bank balances and loans and borrowings denominated in foreign currencies of respective entities for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD, GBP, EUR, AUD, NZD and SGD.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investments in foreign subsidiaries are not hedged as the currency positions in the respective countries are considered to be long-term in nature.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

31. Financial risk management objectives and policies (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a 1% (2023: 1%) change in the USD, GBP, AUD, EUR, NZD and SGD remain exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group Profit before tax	
		2024	**2023**
		$'000	**$'000**
USD/SGD	Strengthened	(220)	18
	Weakened	220	(18)
GBP/SGD	Strengthened	(55)	(67)
	Weakened	55	67
AUD/SGD	Strengthened	(115)	(58)
	Weakened	115	58
EUR/SGD	Strengthened	1	(339)
	Weakened	(1)	339
NZD/SGD	Strengthened	(22)	(40)
	Weakened	22	40

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and contract assets. For other financial assets (including other investment and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

In respect of credit risk arising from the inability of customers of the Group to make payments when their receivables fall due, it is the Group's policy to provide credit terms to creditworthy and reputable customers. These receivables are monitored on an ongoing basis to ensure that issues arising from non-collectability are minimised.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, 365 days past invoice date, which are derived based on the Group's historical information.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past invoice date. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(a) Debt securities at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group compute expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default and historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data.

The Group uses the 12-month expected credit loss ("ECL") model to recognise the ECL provision for trade receivables, finance lease receivables and contract assets, and uses the lifetime ECL model to recognise ECL provision for loans and, interest and/or principal repayments that are 365 days past invoice date.

There are no significant changes to estimation techniques or assumptions made during the reporting period.

(b) Trade receivables, finance lease receivables and contract assets

The Group provides for lifetime expected credit losses for all trade receivables, finance lease receivables and contract assets using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region. The loss allowance provision as at 31 December 2024 is determined as follows, the expected credit losses incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 11 and Note 9.

During the financial year, the Group wrote-off $2,536,000 (2023: $181,000) of trade receivables as the Group does not expect to receive future cash flows from and there are no recoveries from collection of cash flows previously written off.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2024		2023	
	$'000	% of total	$'000	% of total
By geographical segments:				
Asia-Pacific	35,687	30	30,825	28
Americas	78,407	67	77,095	70
Europe/Middle East/Africa	3,148	3	2,389	2
Total	117,242	100	110,309	100

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy receivables with good payment record with the Group. Cash and bank balances and debt securities are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11.

The Group has no significant concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings, interest-bearing loans given to related companies and bank deposits.

The Company's loans at floating rate given to related parties form a natural hedge for its current floating rate bank loan. All of the Group's and Company's financial assets and liabilities at floating rates are contractually repriced at intervals of less than 6 months (2023: less than 6 months) from the balance sheet date.

In respect to the term loan, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. Financial risk management objectives and policies (cont'd)

Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a 1% (2023: 1%) change in the interest rates with all other variables held constant on the Group's profit before tax.

		Group Profit before tax	
		2024	**2023**
		$'000	**$'000**
SGD	Increase in 1% interest rate	(791)	(585)
	Decrease in 1% interest rate	791	585
USD	Increase in 1% interest rate	(169)	22
	Decrease in 1% interest rate	169	(22)
GBP	Increase in 1% interest rate	(57)	(68)
	Decrease in 1% interest rate	57	68
EUR	Increase in 1% interest rate	1	(316)
	Decrease in 1% interest rate	(1)	316
AUD	Increase in 1% interest rate	(110)	(80)
	Decrease in 1% interest rate	110	80

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks. At the end of the reporting period, 84% (2023: 83%) of the Group's loans and borrowings (Note 14) will mature in less than one year based on the carrying amount reflected in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The tables below summarise the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	2024				2023			
	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000	1 year or less $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Trade and other receivables	167,290	–	–	167,290	153,013	–	–	153,013
Finance lease receivables	55	166	–	221	181	201	31	413
Cash and bank balances	57,401	–	–	57,401	39,426	–	–	39,426
	224,746	166	–	224,912	192,620	201	31	192,852
Trade payables and accruals	119,480	1,189	–	120,669	127,012	2,372	–	129,384
Lease liabilities	11,190	15,281	874	27,345	9,490	19,501	1,526	30,517
Loans and borrowings	114,641	21,178	–	135,819	101,989	20,423	–	122,412
Derivative liability	–	–	–	–	6	–	–	6
	245,311	37,648	874	283,833	238,497	42,296	1,526	282,319
Add: GST payables, net	4,865	–	–	4,865	4,383	–	–	4,383
Total net undiscounted financial liabilities	(15,700)	(37,482)	(874)	(54,056)	(41,494)	(42,095)	(1,495)	(85,084)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

31. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	2024				2023			
Company	**1 year or less $'000**	**1 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**	**1 year or less $'000**	**1 to 5 years $'000**	**Over 5 years $'000**	**Total $'000**
Trade and other receivables	1,323	–	–	1,323	1,028	–	–	1,028
Cash and bank balances	9,455	–	–	9,455	3,321	–	–	3,321
Amounts due from subsidiaries	128,328	–	–	128,328	124,262	–	–	124,262
	139,106	–	–	139,106	128,611	–	–	128,611
Trade payables and accruals	2,560	–	–	2,560	4,985	–	–	4,985
Lease liabilities	755	303	–	1,058	738	1,061	–	1,799
Loans and borrowings	114,641	21,178	–	135,819	98,667	20,423	–	119,090
Derivative liability	–	–	–	–	6	–	–	6
Amounts due to subsidiaries	63,508	–	–	63,508	75,861	–	–	75,861
	181,464	21,481	–	202,945	180,257	21,484	–	201,741
Add: GST payables, net	37	–	–	37	48	–	–	48
Total net undiscounted financial liabilities	(42,321)	(21,481)	–	(63,802)	(51,598)	(21,484)	–	(73,082)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

32. Fair value of assets and liabilities

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

(a) Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date
(b) Level 2 - Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
(c) Level 3 - Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of a financial asset or liability is the amount at which the asset or liability could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

	Significant unobservable inputs other than quoted prices (Level 2) 2024 $'000	Significant unobservable inputs other than quoted prices (Level 2) 2023 $'000
Fair value of financial instrument by classes that are not carried at fair value but for which fair value is disclosed		
Finance lease receivables	212	389
Assets and liabilities measured at fair value		
Derivative liability	–	(6)
At 31 December	212	383

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

<u>Derivatives</u>

Interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest rate curves.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

32. Fair value of assets and liabilities (cont'd)

Financial instruments not measured at fair value, for which fair value is disclosed.

The fair values of financial assets which are not carried at fair values in the balance sheet as at 31 December 2024 are represented on the following table:

	2024			2023		
Group	**Carrying amount $'000**	**Fair value $'000**	**Unrecognised gain $'000**	**Carrying amount $'000**	**Fair value $'000**	**Unrecognised gain $'000**
Finance lease receivables (Note 24)	212	231	19	389	434	45

The Company does not have financial instruments not measured at fair value, for which fair value is disclosed.

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of cash and bank balances, trade and other receivables, trade payables and accruals, lease liabilities and loans and borrowings, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group monitors its monthly cash flows and also manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust the capital structure, the Group may issue new shares. No changes were made in objectives, policies and processes during the years ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

34. Dividends

	Group and Company	
	2024	2023
	$'000	$'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividend for 2023: $0.015 per share	10,171	–
– Interim exempt (one-tier) dividend for 2024: $0.0125 per share	8,662	–
– Final exempt (one-tier) dividend for 2022: $0.015 per share	–	9,223
– Interim exempt (one-tier) dividend for 2023: $0.0125 per share	–	7,686
	18,833	16,909
Dividend paid in cash	7,554	16,909
Dividend paid through issuance of new shares under the Scrip Dividend Scheme (Note 16)	11,279	–
	18,833	16,909
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
– Final exempt (one-tier) dividend for 2024: $0.0115 (2023: $0.015) per share	8,123	9,223
	8,123	9,223

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

35. Subsequent event

(a) Completion of disposal of a property

In February 2025, the Group has completed the disposal of the industrial property located at 1616 Gears Road, Houston, Texas, United States of America for a purchase consideration of USD 29.3 million (approximately $39.8 million). Following the completion of the disposal, the Group continues to lease the industrial property from the purchaser.

36. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 18 March 2025.

STATISTICS OF SHAREHOLDINGS

As at 13 March 2025

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	48	0.83	1,824	0.00
100 - 1,000	200	3.49	125,647	0.02
1,001 - 10,000	2,294	40.00	13,066,190	1.86
10,001 - 1,000,000	3,153	54.98	186,713,035	26.62
1,000,001 AND ABOVE	40	0.70	501,454,735	71.50
TOTAL	**5,735**	**100.00**	**701,361,431**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ORCHID 3 INVESTMENTS VCC	97,042,624	13.84
2	ORCHID 2 INVESTMENTS PTE LTD	67,328,104	9.60
3	CITIBANK NOMINEES SINGAPORE PTE LTD	53,770,911	7.67
4	RAFFLES NOMINEES (PTE.) LIMITED	44,322,354	6.32
5	DBS NOMINEES (PRIVATE) LIMITED	38,955,352	5.55
6	HSBC (SINGAPORE) NOMINEES PTE LTD	31,160,497	4.44
7	BPSS NOMINEES SINGAPORE (PTE.) LTD.	25,201,943	3.59
8	DBSN SERVICES PTE. LTD.	15,180,337	2.16
9	PHILLIP SECURITIES PTE LTD	15,145,151	2.16
10	OCBC SECURITIES PRIVATE LIMITED	12,173,834	1.74
11	IFAST FINANCIAL PTE. LTD.	9,990,119	1.42
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,005,534	1.14
13	WONG YON CHING	6,500,000	0.93
14	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	6,172,436	0.88
15	ABN AMRO CLEARING BANK N.V.	5,962,545	0.85
16	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	5,819,127	0.83
17	UOB KAY HIAN PRIVATE LIMITED	5,223,765	0.74
18	ZENG HANG CHENG	5,042,882	0.72
19	WONG GHAN OR WONG SHI HAO	4,964,056	0.71
20	CHENG HENG SENG	4,786,964	0.68
	TOTAL	**462,748,535**	**65.97**

STATISTICS OF SHAREHOLDINGS

As at 13 March 2025

Class of Shares	:	Ordinary share
Number of Issued Shares (excluding treasury shares)	:	701,361,431
Number/Percentage of Treasury Shares against total number of Issued Shares (excluding treasury shares)		5,473,143 (0.78%)
Voting rights	:	One vote per share

As at 13 March 2025, the Company did not hold any subsidiary holdings.

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 13 MARCH 2025
(As recorded in the Register of Substantial Shareholders)

NAMES OF SUBSTANTIAL SHAREHOLDERS	DIRECT INTEREST	%	DEEMED INTEREST	%
Orchid 2 Investments Pte. Ltd	67,328,104	9.60	-	-
Orchid 3 Investments VCC	97,042,624	13.84	-	-
Heliconia Capital Management Pte. Ltd. (1)	-	-	164,370,728	23.44
Heliconia Holdings Pte. Ltd. (1)	-	-	164,370,728	23.44
65EP Investment I Pte. Ltd. (2)	-	-	164,370,728	23.44
65EP Investments Pte. Ltd. (2)	-	-	164,370,728	23.44
65 Equity Partners Group Pte. Ltd. (2)	-	-	164,370,728	23.44
65 Equity Partners Pte. Ltd. (2)	-	-	164,370,728	23.44
Thomson Capital Pte. Ltd. (2)	-	-	164,370,728	23.44
Tembusu Capital Pte. Ltd. (2)	-	-	164,370,728	23.44
Temasek Holdings (Private) Limited (2)(3)	-	-	164,370,728	23.44
Seletar Fund Investments Pte Ltd (3)	-	-	164,370,728	23.44
Fullerton Fund Investments Pte Ltd (3)	-	-	164,370,728	23.44

STATISTICS OF SHAREHOLDINGS

As at 13 March 2025

Note:

(1) Heliconia Capital Management Pte. Ltd. ("Heliconia Capital") has the authority to dispose of, or exercise control over the disposal of (i) the 67,328,104 shares held by Orchid 2 Investments Pte. Ltd. ("Orchid 2"); and (ii) the 97,042,624 shares held by Orchid 3 Investments VCC ("Orchid 3"), and as general partner of SME Co-Investment Fund II ("SME Fund II") and SME Co-Investment Fund III ("SME Fund III").

Heliconia Holdings Pte. Ltd. ("Heliconia Holdings") is the immediate holding company of Heliconia Capital.

Each of Heliconia Holdings and Heliconia Capital is deemed interested in the aggregate of 164,370,728 shares held by Orchid 2 and Orchid 3 under Section 4 of the Securities and Future Act 2001.

(2) 65EP Investment I Pte. Ltd. ("65 EP I"), 65EP Investments Pte. Ltd. ("65EP Investments"), 65 Equity Partners Group Pte. Ltd. ("65 EPG"), 65 Equity Partners Pte. Ltd. ("65 EPP"), Thomson Capital Pte. Ltd. ("Thomson"), Tembusu Capital Pte. Ltd. ("Tembusu") and Temasek Holdings (Private) Limited ("Temasek") are deemed interested in shares through Heliconia Capital and Heliconia Holdings as follows:

(a) Heliconia Capital has an interest in 164,370,728 shares held in aggregate by Orchid 2 and Orchid 3 pursuant to Section 4 of the Securities and Futures Act by virtue of its authority to dispose of, or exercise control over the disposal of the shares held by Orchid 2 and Orchid 3, and as general partner of SME Fund II and SME Fund III.
(b) Heliconia Capital is a wholly owned subsidiary of Heliconia Holdings.
(c) Heliconia Holdings is a wholly owned subsidiary of 65 EP I.
(d) 65 EP I is a wholly owned subsidiary of 65EP Investments.
(e) 65EP Investments is a wholly owned subsidiary of 65 EPG.
(f) 65 EPG is a wholly owned subsidiary of 65 EPP.
(g) 65 EPP is a wholly owned subsidiary of Thomson.
(h) Thomson is a wholly owned subsidiary of Tembusu.
(i) Tembusu is a wholly owned subsidiary of Temasek.

Heliconia Capital and Heliconia Holdings are independently managed Temasek portfolio companies.

(3) Seletar Fund Investments Pte Ltd ("Seletar") holds 50% of capital commitments in each of SME Fund II and SME Fund III. Pursuant to Regulation 13(3) of the Securities and Futures (Disclosure of Interests) Regulations 2012, Seletar is deemed to have an interest in 164,370,728 shares held in aggregate by Orchid 2 and Orchid 3.

Seletar is a wholly owned subsidiary of Fullerton Fund Investments Pte Ltd ("FFI").

FFI is a wholly owned subsidiary of Temasek.

Note: The above percentages are calculated based on the Company's issued share capital (excluding treasury shares) of 701,361,431 shares as at 13 March 2025.

PUBLIC FLOAT

As at 13 March 2025, 72.84% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of CSE Global Limited ("**the Company**") will be held at Suntec Singapore Convention & Exhibition Centre, Room 324 & 325 (Level 3), 1 Raffles Boulevard, Singapore 039593 on Monday, 21 April 2025 at 2.30 p.m. (Singapore time) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2024 together with the Auditors' Report thereon.
(Resolution 1)

2. To declare a final (one-tier tax exempt) dividend of 1.15 Singapore cents per ordinary share for the year ended 31 December 2024 (2023: A final dividend (one-tier tax exempt) of 1.5 Singapore cents per ordinary share).
(Resolution 2)

3(a). To re-elect the following Directors of the Company retiring pursuant to Regulations 91 and 97 of the Company's Constitution:

(i) Mr Tan Chian Khong [Retiring under Regulation 91] **(Resolution 3)**
(ii) Mr Tang Wai Loong Kenneth [Retiring under Regulation 97] **(Resolution 4)**
[See Explanatory Note (i)]

3(b). To note the retirements of Dr Lee Kong Ting and Mr Derek Lau Tiong Seng, pursuant to Regulation 91 of the Constitution of the Company, at the conclusion of this Annual General Meeting.
[See Explanatory Note (i)]

4. To approve the payment of Directors' fees of S$513,442 for the financial year ended 31 December 2024 (2023: S$495,852).
[See Explanatory Note (ii)] **(Resolution 5)**

5. To approve the payment of Directors' fees of up to S$600,000 for the financial year ending 31 December 2025, payable quarterly in arrears.
[See Explanatory Note (iii)] **(Resolution 6)**

6. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.
(Resolution 7)

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to issue shares**

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

NOTICE OF ANNUAL GENERAL MEETING

(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.

[See Explanatory Note (iv)] **(Resolution 8)**

9. **Proposed renewal of Share Purchase Mandate**

That:

(a) for the purposes of Sections 76C and 76E of Companies Act 1967 (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 on the SGX-ST (each an "**On-Market Share Purchase**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any 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 (each a "**Off-Market Share Purchase**");

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;

NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

"**Prescribed Limit**" means five per cent. (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings as defined in the Listing Manual of the SGX-ST) as at the date of passing of this Resolution, 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 passing of this Resolution and expiring on the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier;

"**Maximum Price**" in relation to a Share to be purchased or acquired, 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, 120% of the Average Closing Price;

where:

"**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 of the On-Market Share Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share 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 On-Market Share Purchase by the Company or, as the case may be, the day of making of the offer pursuant to the Off-Market Share Purchase;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase or acquisition 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; and

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

(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.
[See Explanatory Note (v)] **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING

10. **Authority to allot and issue Shares pursuant to the CSE Global Limited Scrip Dividend Scheme**

That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new ordinary shares in the Company as may be required to be allotted and issued pursuant to the CSE Global Limited Scrip Dividend Scheme.
[See Explanatory Note (vi)] **(Resolution 10)**

By Order of the Board

Lai Kuan Loong, Victor
Company Secretary
Singapore, 4 April 2025

Explanatory Notes:

(i) Resolutions 3 and 4 – Detailed information about Directors of the Company can be found in the "**Board of Directors**" section of the Company's Annual Report, including their current directorships in other listed companies and other principal commitments held. Please also refer to the section titled "**Additional Information on Directors Seeking Election/Re-Election**" appended to this Notice of Annual General Meeting for additional information on the retiring Directors.

Mr Tan Chian Khong will, upon re-election as a Director of the Company, remain as Chairman of Audit and Risk Committee and Nominating Committee and will be considered independent.

Mr Tang Wai Loong Kenneth will, upon re-election as a Director of the Company, remain as a member of the Audit and Risk Committee, and will be considered independent.

Dr Lee Kong Ting will, upon his retirement as a Director of the Company, relinquish his role as a member of Audit and Risk Committee.

Mr Derek Lau Tiong Seng will, upon his retirement as a Director of the Company, relinquish his role as a member of Nominating Committee.

(ii) Resolution 5 is to facilitate the payment of Directors' Fees to Non-Executive Directors for the financial year ended 31 December 2024. The amount is computed based on the Director's fees framework as disclosed on page 52 in the Corporate Governance Report.

(iii) Resolution 6 is to facilitate the payment of Directors' Fees of up to S$600,000 to Non-Executive Directors during the financial year ending 31 December 2025, quarterly in arrears, in which the fees are to be incurred. The amount is computed based on the newly adopted Directors' fees framework as disclosed on page 53 in the Corporate Governance Report and caters for the possibility that additional fees may be payable in event that an additional board or board committee member is being appointed in the course of the financial year ending 31 December 2025. In the event that payments are required to be made to the Directors in excess of the amount proposed, approval will be sought at next year's Annual General Meeting before such payments are made.

(iv) Resolution 8, if passed, will empower the Directors of the Company, effective 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 or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from (a) the conversion or exercise of any convertible securities; (b) 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 (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 Ordinary Resolution.

(v) Resolution 9, if passed, will empower the Directors, from the date of this Annual General Meeting until the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier, unless such authority is varied or revoked by the Company in general meeting, to purchase or acquire Shares up to the Prescribed Limit, at prices up to but not exceeding the Maximum Price, as at the date of the passing of this Ordinary Resolution. The source of funds to be used for the purchase or acquisition of Shares including the amount of financing and its impact on the Company's financial position are set out in Sections 2.6 and 2.7 of the Appendix dated 4 April 2025.

(vi) Resolution 10, if passed, will authorise the Directors to allot and issue new ordinary shares of the Company pursuant to the CSE Global Limited Scrip Dividend Scheme ("Scrip Dividend Scheme") to participating shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount, in respect of all, and not part only, of that qualifying dividend.

NOTICE OF ANNUAL GENERAL MEETING

Important Notes:

1. This is a physical in-person AGM. There will be no option for shareholders to participate virtually. This Notice has been sent to members by post and is also available on SGXNet and on the Company's website at the URL: http://cseglobal.listedcompany.com/ar.html

2. Members may participate in the AGM by:

   (a) attending the AGM in person;
   (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
   (c) voting at the AGM (i) themselves personally; or (ii) through their duly appointed proxy(ies).

   CPFIS Investors and SRS Investors who wish to appoint the Chairman of the AGM (and not third-party proxy(ies)) as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 8 April 2025, being seven (7) working days prior to the date of the AGM.

3. A member, who is not a relevant intermediary, of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

   Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. In the absence of specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the Meeting as the proxy will be treated as invalid.

6. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if by email, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd at srs.proxy@boardroomlimited.com

   in either case, no later than **2.30 p.m.** on **18 April 2025**.

7. The Chairman of the Meeting, as a proxy, need not be a member of the Company.

8. Members may submit questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by **5.00 p.m.** on **10 April 2025**:

   (a) in hard copy by post to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if by email, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd at srs.teamd@boardroomlimited.com

   The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's corporate website and on SGXNet by 15 April 2025 after trading hours.

NOTICE OF ANNUAL GENERAL MEETING

9. The Annual Report for the financial year ended 31 December 2024 ("**FY2024 Annual Report**") is made available on 4 April 2025 can be accessed via SGXNet and the Company's website at the URL: http://cseglobal.listedcompany.com/ar.html

10. The following documents are also made available to members on 4 April 2025 together with this Notice of AGM via SGXNet and the Company's website at the URL: http://cseglobal.listedcompany.com/ar.html

    (a) Appendix to the Notice of AGM dated 4 April 2025 in respect of the Proposed Renewal of the Share Purchase Mandate;
    (b) Proxy Form in relation to the AGM; and
    (c) Request Form for printed copy of the FY2024 Annual Report.

Personal data privacy:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service provider) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ADDITIONAL INFORMATION REQUIRED PURSUANT TO RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST ON DIRECTORS SEEKING FOR RE-ELECTION

Mr Tan Chian Khong and Mr Tang Wai Loong Kenneth are the retiring Directors who are seeking re-election at the forth-coming Annual General Meeting to be convened on 21 April 2025 under Ordinary Resolutions 3 and 4. Pursuant to Rule 720(6) of the Listing Manual of SGX-ST, the information relating to the Directors, in accordance with Appendix 7.4.1 of the Listing Manual of the SGX-ST is set out below.

	TAN CHIAN KHONG	TANG WAI LOONG KENNETH
Date of Appointment	19 February 2019	29 April 2024
Date of last re-appointment (if applicable)	20 April 2022	N.A.
Age	68	55
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment	The Board has accepted the Nominating Committee's recommendation which has reviewed Mr Tan Chian Khong's ("Mr Tan") qualifications, experience and commitment in the discharge of his duties as a Director, inter alia and approved the re-appointment of Mr Tan as Independent Director.	The Board has accepted the Nominating Committee's recommendation which has reviewed Mr Tang Wai Loong Kenneth's ("Mr Tang") qualifications, experience and commitment in the discharge of his duties as a Director, inter alia and approved the re-appointment of Mr Tan as Independent Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director Chairman of Audit and Risk Committee and Nominating Committee	Non-Executive Independent Director Member of Audit and Risk Committee
Professional qualifications	Please refer to the section of the Company's Annual Report titled "Board of Directors" for further details.	
Working experience and occupation(s) during the past 10 years		
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: Nil Deemed Interest: 64,235 shares	Direct Interest: Nil Deemed Interest: Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7 under Rule 720(1) has been submitted to the listed issuer – Yes / No	Yes	Yes
Other Principal Commitments including Directorships Past (for the last 5 years) Present	Please refer to the section of the Company's Annual Report titled "Board of Directors" for further details.	
Responses to questions (a) to (k) under Appendix 7.4.1 of the SGX Listing Manual	Negative Confirmation for each of Mr Tan Chian Khong and Mr Tang Wai Loong Kenneth	

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

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ... NRIC/Passport/Company Registration No. ....

of .... (Address)

being a member/members of CSE Global Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Suntec Singapore Convention & Exhibition Centre, Room 324 & 325 (Level 3), 1 Raffles Boulevard, Singapore 039593 on Monday, 21 April 2025 at 2.30 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

(Voting will be conducted by poll. If you wish to cast all your votes "for" or "against" or abstain from voting on a resolution, please indicate with a "√" in the space provided under "For" or "Against" or "Abstain". Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions:	For	Against	Abstain
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2024			
2	Payment of proposed final dividend			
3	Re-election of Mr Tan Chian Khong as a Director			
4	Re-election of Mr Tang Wai Loong Kenneth as a Director			
5	Approval of Directors' fees amounting to S$513,442 for the financial year ended 31 December 2024			
6	To approve the payment of Directors' fees of up to S$600,000 for the financial year ending 31 December 2025, payable quarterly in arrears.			
7	Re-appointment of Messrs Ernst & Young LLP as Auditor			
8	Authority to issue new shares pursuant to Section 161 of the Companies Act of Singapore			
9	Renewal of the Share Purchase Mandate			
10	Authority to allot and issue Shares pursuant to the CSE Global Limited Scrip Dividend Scheme			

Dated this .... day of 2025

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	
Total	

....
Signature of Shareholder(s), or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTED OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the depository register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the depository register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the depository register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member, who is not a relevant intermediary, of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such proportion is specified, the first named proxy shall be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:

   (a) if in hard copy by post, be lodged at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
   (b) if by email, be received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.proxy@boardroomlimited.com

   in either case, no later than **2.30 p.m.** on **18 April 2025**.

7. The instrument appointing a proxy or proxies (ies) must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where an instrument appointing a proxy or proxies is submitted by email, it must be authorised in the following manner:

   (a) by way of the affixation of an electronic signature by the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation; or
   (b) by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   Where an instrument appointing a proxy or proxies is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing a proxy or proxies). In addition, in the case of members whose shares are entered against their names in the depository register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy or proxies and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 4 April 2025.

CSE GLOBAL LIMITED
202 Bedok South Avenue 1
#01-21, Singapore 469332

Tel: (65) 6512 0333
Fax: (65) 6742 9179
Web: www.cse-global.com

Reg No. 198703851D