



# CHIP ENG SENG CORPORATION LTD.

## Condensed interim financial statements for the half year ended 30 June 2022

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Condensed interim financial statements for the half year ended 30 June 2022

A (i) Condensed interim consolidated income statement

	Note	Group		+/(-) %
		1H2022 \$'000	1H2021 \$'000	
<b>Revenue</b>				
- Property development		294,971	419,085	(29.6)
- Construction		288,370	164,644	75.1
- Hospitality		28,374	18,782	51.1
- Education		22,587	17,282	30.7
- Property investment & others		1,965	2,628	(25.2)
		<u>636,267</u>	<u>622,421</u>	2.2
Cost of sales		(519,641)	(543,987)	(4.5)
<b>Gross profit</b>		<u>116,626</u>	<u>78,434</u>	48.7
Other gains/(losses) net and other income	1	8,592	5,897	45.7
<b>Expenses</b>				
Marketing and distribution expenses	2	(2,016)	(2,969)	(32.1)
Administrative expenses	3	(60,249)	(48,138)	25.2
Finance costs		(16,043)	(15,669)	2.4
Share of results of associates and joint ventures	4	548	(6,658)	NM
<b>Profit before tax</b>		<u>47,458</u>	<u>10,897</u>	335.5
Income tax expense	5	(8,999)	(1,718)	423.8
<b>Profit after tax</b>		<u><u>38,459</u></u>	<u><u>9,179</u></u>	319.0
<b>Profit attributable to:</b>				
Owners of the Company		38,505	99	38,793.9
Non-controlling interests		(46)	9,080	NM
		<u><u>38,459</u></u>	<u><u>9,179</u></u>	319.0
<b>Profit per share attributable to owners of the Company (cents per share)</b>				
Basic		<u>4.91</u>	<u>0.01</u>	
Diluted		<u>4.91</u>	<u>0.01</u>	

Note:-

NM - Not meaningful.

**Notes to condensed interim consolidated income statement**

- Please refer to Note 6 of Section F for further breakdown.
- The decrease in marketing and distribution expenses in 1H2022 was mainly due to lower marketing expenses incurred by the development projects in Singapore.
- The increase in administrative expenses in 1H2022 was mainly due to higher payroll, depreciation and amortisation expenses and contract termination fee relating to the termination of operator of Park Hotel Alexandra.
- Share of profit from associates and joint ventures in 1H2022 as compared to share of losses in 1H2021 was mainly attributable to absence of share of Roxy CES Pty Ltd's fair value loss in 1H2022 in addition to absence of share of losses from Guangzhou Yuanda Information Development Co. Ltd ("Yuanda"), Amdon Consulting Pte. Ltd. ("Amdon"), and Cybint International Pte. Ltd. ("Cybint") as Yuanda and Amdon were fully impaired in December 2021 and Cybint was disposed in August 2021.
- Higher tax expense was in line with higher profits.

**A (ii) Condensed interim consolidated statement of comprehensive income**

	Group		+/(-) %
	1H2022 \$'000	1H2021 \$'000	
<b>Profit after tax</b>	38,459	9,179	319.0
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Share of (loss)/gain on property revaluation of associate	(170)	218	NM
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences	(4,074)	(918)	343.6
Share of foreign currency translation of associates and joint ventures	(665)	(214)	211.3
	(4,739)	(1,132)	318.6
Other comprehensive income for the period, net of tax	(4,909)	(914)	437.1
<b>Total comprehensive income for the period</b>	<b>33,550</b>	<b>8,265</b>	<b>305.9</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	33,532	(466)	NM
Non-controlling interests	18	8,731	(99.8)
	<b>33,550</b>	<b>8,265</b>	<b>305.9</b>

**Notes to Condensed interim consolidated statement of comprehensive income**

Foreign currency translation differences arises from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Translation loss in 1H2022 was mainly due to depreciation of Australian dollars and New Zealand dollars against Singapore dollars.

Note:-

NM - Not meaningful.

## B. Condensed interim balance sheets

	The Group		The Company			
	Note	30 Jun 2022 \$'000	31 Dec 2021 \$'000	Note	30 Jun 2022 \$'000	31 Dec 2021 \$'000
<b>Non-current assets</b>						
Property, plant and equipment		541,992	551,603		2,382	1,438
Investment properties		193,495	193,434		-	-
Intangible assets		44,503	46,038		270	301
Investments in subsidiaries		-	-		124,617	124,617
Investments in joint ventures and associates	1	90,615	45,018		650	650
Deferred tax assets		8,906	6,803		-	-
Trade and other receivables		59,029	56,994		334,405	336,301
		938,540	899,890		462,324	463,307
<b>Current assets</b>						
Development properties	2	479,755	648,284		-	-
Inventories		5,331	5,323		-	-
Prepayments		7,976	7,670		3	12
Trade and other receivables	3	308,240	641,403		55,014	55,401
Contract assets	4	184,613	73,494		-	-
Deferred contract costs		19,761	20,209		-	-
Cash and short-term deposits		330,396	505,888		9,438	76,556
		1,336,072	1,902,271		64,455	131,969
Assets held for sale	5	-	27,042		-	-
		1,336,072	1,929,313		64,455	131,969
<b>Total assets</b>		<b>2,274,612</b>	<b>2,829,203</b>		<b>526,779</b>	<b>595,276</b>
<b>Current liabilities</b>						
Loans and borrowings	6	387,024	500,250	9	-	15,000
Trade and other payables	7	168,805	248,008	10	44,017	86,603
Contract liabilities	8	24,793	47,024		-	-
Provision		7,779	8,557		-	-
Other liabilities		116,855	124,758		4,208	2,788
Income tax payable		10,459	11,550		224	177
		715,715	940,147		48,449	104,568
<b>Net current assets</b>		<b>620,357</b>	<b>989,166</b>		<b>16,006</b>	<b>27,401</b>
<b>Non-current liabilities</b>						
Loans and borrowings	6	622,963	956,984		-	-
Trade and other payables	7	22,188	33,208		257,378	252,963
Other liabilities		92,698	96,826		-	70
Deferred tax liabilities		23,009	22,015		45	31
		760,858	1,109,033		257,423	253,064
<b>Total liabilities</b>		<b>1,476,573</b>	<b>2,049,180</b>		<b>305,872</b>	<b>357,632</b>
		<b>798,039</b>	<b>780,023</b>		<b>220,907</b>	<b>237,644</b>
<b>Equity attributable to owners of the Company</b>						
Share capital		175,978	175,978		175,978	175,978
Treasury shares		(28,779)	(28,779)		(28,779)	(28,779)
Retained earnings		647,417	623,394		71,297	86,832
Other reserves		(17,759)	(11,584)		2,411	3,613
		776,857	759,009		220,907	237,644
Non-controlling interests		21,182	21,014		-	-
<b>Total equity</b>		<b>798,039</b>	<b>780,023</b>		<b>220,907</b>	<b>237,644</b>

## **Notes to condensed interim balance sheets**

### **Note**

#### **The Group**

- 1 The increase in investments in joint ventures and associates was mainly due to acquisition of 21% interest in PRE 13 Pte. Ltd., which in turn has a 50% interest in a prime real estate site located within the Central Business District.
- 2 The decrease in development properties was mainly due to the progressive recognition of development costs for units sold in Parc Komo and Kopar at Newton.
- 3 The decrease in current trade and other receivables was mainly due to receipts from purchasers of Park Colonial and Grandeur Park Residences.
- 4 The increase in contract assets was mainly due to higher recognition of revenue for work completed but not billed for Parc Komo and Kopar at Newton.
- 5 The decrease was due to completion of sale of subsidiary, Evervit Development Pte Ltd in March 2022.
- 6 The decrease in total loans and borrowings was mainly due to repayment of bank borrowings for development properties and redemption of \$54.0 million term notes upon their maturities.
- 7 The decrease in trade and other payables was mainly attributable to repayment of amount due to non-controlling interest of a development project.
- 8 The decrease in contract liabilities was mainly due to the lower progress payments billed as compared to recognition of revenue for work completed in construction projects and a development property.

#### **The Company**

- 9 The decrease was due to redemption of \$15.0 million term notes upon its maturity in May 2022.
- 10 The decrease in current trade and other payables was mainly due to repayment of loan and interest to subsidiaries.

C. Condensed interim statements of changes in equity

Group	Attributable to owners of the Company									Non-controlling interests \$'000	Total equity \$'000
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Other reserves \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000		
<b>At 1 January 2022</b>	175,978	(28,779)	(1,307)	4,920	(10,040)	3,007	(8,164)	623,394	759,009	21,014	780,023
Total comprehensive income for the period	-	-	-	-	-	(170)	(4,803)	38,505	33,532	18	33,550
Dividends paid on ordinary shares	-	-	-	-	-	-	-	(15,684)	(15,684)	-	(15,684)
Expiry of share options	-	-	-	(1,202)	-	-	-	1,202	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	150	150
<b>At 30 June 2022</b>	175,978	(28,779)	(1,307)	3,718	(10,040)	2,837	(12,967)	647,417	776,857	21,182	798,039

Group	Attributable to owners of the Company									Non-controlling interests \$'000	Total equity \$'000
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Other reserves \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000		
<b>At 1 January 2021</b>	175,978	(29,719)	(917)	5,877	(8,146)	2,789	(5,850)	669,361	809,373	7,912	817,285
Total comprehensive income for the period	-	-	-	-	-	218	(783)	99	(466)	8,731	8,265
Dividends paid on ordinary shares	-	-	-	-	-	-	-	(15,668)	(15,668)	-	(15,668)
Share-based compensation expenses	-	-	-	453	-	-	-	-	453	-	453
Treasury shares reissued pursuant to performance share plan	-	362	(139)	(223)	-	-	-	-	-	-	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	4,415	4,415
<b>At 30 June 2021</b>	175,978	(29,357)	(1,056)	6,107	(8,146)	3,007	(6,633)	653,792	793,692	21,058	814,750

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2022</b>	175,978	(28,779)	(1,307)	4,920	86,832	237,644
Total comprehensive income for the period	-	-	-	-	(1,053)	(1,053)
Dividends paid on ordinary shares	-	-	-	-	(15,684)	(15,684)
Expiry of share options	-	-	-	(1,202)	1,202	-
<b>At 30 June 2022</b>	175,978	(28,779)	(1,307)	3,718	71,297	220,907

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2021</b>	175,978	(29,719)	(917)	5,877	34,349	185,568
Total comprehensive income for the period	-	-	-	-	274	274
Dividends paid on ordinary shares	-	-	-	-	(15,668)	(15,668)
Share-based compensation expenses	-	-	-	453	-	453
Treasury shares reissued pursuant to performance share plan	-	362	(139)	(223)	-	-
<b>At 30 June 2021</b>	175,978	(29,357)	(1,056)	6,107	18,955	170,627

D. Condensed interim consolidated cash flow statement

	Group	
	1H2022	1H2021
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>47,458</b>	<b>10,897</b>
<b>Adjustments for:</b>		
Interest income	(1,355)	(260)
Gain on disposal of property, plant and equipment	(358)	(227)
Gain on disposal of subsidiary	(588)	-
Finance costs	16,043	15,669
Property, plant and equipment written off	215	30
Provision for onerous contracts	1,852	2,016
Depreciation of property, plant and equipment	21,121	20,238
Amortisation of intangible assets	1,801	1,481
Recognition of deferred contract costs	12,319	12,931
Net fair value loss on investment property	-	3,000
Unrealised exchange differences	(224)	(624)
Rent concessions from landlords	(54)	(112)
Share of results of associates and joint ventures	(548)	6,658
Writeback of impairment loss on trade and other receivables	(20)	-
Share-based compensation expenses	-	453
<b>Operating profit before changes in working capital</b>	<b>97,662</b>	<b>72,150</b>
Changes in working capital:		
Development properties	167,479	305,340
Deferred contract costs	(11,887)	(14,673)
Inventories	(53)	(1,661)
Prepayments	(271)	(3,619)
Trade and other receivables and contract assets	223,000	27,895
Trade and other payables and contract liabilities	(112,680)	(15,192)
Other liabilities	(8,049)	(4,838)
<b>Cash generated from operations</b>	<b>355,201</b>	<b>365,402</b>
Interest paid	(17,232)	(16,222)
Interest received	376	197
Income taxes paid	(11,224)	(10,343)
<b>Net cash generated from operating activities</b>	<b>327,121</b>	<b>339,034</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(7,646)	(5,767)
Proceeds from disposal of property, plant and equipment	744	564
Net proceed from disposal of subsidiary	27,629	-
Dividend income	188	-
Additions to intangible assets	(265)	-
Advances to joint ventures	(1,600)	(9,211)
Investments in associate and joint ventures	(48,418)	(7,357)
Additions to investment properties	(299)	(286)
<b>Net cash used in investing activities</b>	<b>(29,667)</b>	<b>(22,057)</b>
<b>Cash flows from financing activities:</b>		
Repayment of loans and borrowings	(396,260)	(322,095)
Proceeds from loans and borrowings	1,630	69,179
Redemption of term notes	(54,000)	(13,000)
Dividends paid on ordinary shares	(15,684)	(15,668)
Contribution from non-controlling interests	150	450
Decrease in short-term deposits pledged	-	3,233
Payment of principal portion of lease liabilities	(8,692)	(7,267)
<b>Net cash used in financing activities</b>	<b>(472,856)</b>	<b>(285,168)</b>
Net (decrease)/increase in cash and cash equivalents	(175,402)	31,809
Effect of exchange rate changes on cash and cash equivalents	(90)	(229)
Cash and cash equivalents at beginning of the period	501,786	369,784
<b>Cash and cash equivalents at end of the period</b>	<b>326,294</b>	<b>401,364</b>

	Group	
	1H2022 \$'000	1H2021 \$'000
<b>Cash and cash equivalents comprise:</b>		
Short term fixed deposits	118,063	153,818
Cash and bank balances	212,333	248,569
Cash and cash equivalents as shown on balance sheet	330,396	402,387
Less: Deposits pledged as security	(4,102)	(1,023)
	<b>326,294</b>	<b>401,364</b>

#### **Net cash generated from operating activities**

Lower net cash generated from operating activities in 1H2022 was mainly due to repayment of amount due to non-controlling interest of a development project, partially offset by higher collections from purchasers of development projects.

#### **Net cash used in investing activities**

Higher net cash used in investing activities in 1H2022 was mainly due to investment in joint venture, PRE 13 Pte. Ltd., in April 2022 and purchase of property, plant and equipment, partially offset by proceeds from disposal of subsidiary, Evervit Development Pte Ltd, and less loans extended to joint ventures.

#### **Net cash used in financing activities**

Higher net cash used in financing activities in 1H2022 was mainly due to higher net repayment of loans and redemption of term notes.

## **E. Notes to condensed interim financial statements**

### **1 Basis of preparation**

The condensed interim financial statements for the half year ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 1.1.

#### **1.1 New and amended standards adopted by the Group**

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The adoption of these amendments did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial period.



## 1.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical accounting estimates in applying the Group's accounting policies in the financial statements for the half year ended 30 June 2022:

### 1.2(a) Revaluation of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in profit and loss account, determined annually by independent professional valuers. The Group engaged real estate valuation experts to assess fair value of all investment properties of the Group as at 31 December 2021. The independent valuation reports have highlighted estimation uncertainty arising from the COVID-19 pandemic, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation and values may change significantly and unexpectedly over a short period of time.

The fair values of investment properties are determined by independent real estate valuation experts using market comparable approach, capitalisation approach, discounted cash flow approach and residual land value approach.

The determination of the fair values of the investment properties requires the use of estimates on yield adjustments such as location, size, tenure, age and condition, and also involved estimation uncertainties on the capitalisation rate used.

For the purpose of this condensed interim financial statements for the half year ended 30 June 2022, the management reviewed the valuation reports prepared by professional valuers as at 31 December 2021 to determine whether the facts and assumptions used has materially changed. Valuation report was obtained from the independent professional valuer for significant investment property, and there was no change in fair value recorded in the income statement.

### 1.2(b) Impairment of intangible assets

The carrying values of intangible assets are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired. The recoverable amounts of the cash generating units ("CGU") which goodwill, intellectual property, order backlog and brands have been allocated to are determined based on value in use ("VIU") calculations. The VIU calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to the weighted average cost of capital and terminal yield rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

For the purpose of this condensed interim financial statements for the half year ended 30 June 2022, management has reviewed and considered the cash flows projections for the CGU. As there were no impairment indicators at 30 June 2022, no impairment testing was performed.

### **1.2(c) Impairment of hotel assets**

The carrying amounts of the Group's hotel assets as at 30 June 2022 are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. In assessing for impairment, the Group has considered the independent valuations as at 31 December 2021. The independent valuation reports have highlighted estimation uncertainty arising from the COVID-19 pandemic, a higher degree of caution should be exercised when relying upon the valuation. The valuations are based on the information available as at the date of valuation and values may change significantly and unexpectedly over a short period of time.

For the purpose of this condensed interim financial statements for the half year ended 30 June 2022, management has reviewed and considered the hotel asset's operating performance and development plan for the properties. As there were no impairment indicators at 30 June 2022, no impairment testing was performed.

### **1.2(d) Contract assets and contract liabilities**

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. In applying the over time method, revenue recognised corresponds to the total contract revenue multiplied by the actual completion rate based on total contract costs. Significant assumptions are required to estimate contract cost. In making these estimates, management has relied on past experience and knowledge of the project officials.

The carrying amounts of contract assets and contract liabilities are disclosed on balance sheet. If the estimated total contract cost had been 2% higher than management's estimate, contract assets and contract liabilities would have been \$28.1 million lower and \$17.7 million higher respectively.

### **1.2(e) Revenue recognition on development properties under construction**

For the sale of development properties 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 of the development properties to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. The measure of progress is based on the costs incurred to date as a proportion of total estimated costs to be incurred up to the completion of the development properties.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred.

The revenue from sale of development properties (recognised on over time basis) are disclosed in Note 3. If the estimated total development cost had been 2% higher than management's estimate, the carrying amount of the development properties under construction would have been \$6.2 million higher and revenue would have been \$10.0 million lower.

## 2 Segment reporting

For management purposes, the Group is organised into business units based on their products and services, and has six reportable operating segments as follows:

(a) The construction segment is in the business of general building, infrastructure and civil engineering contractors, and water and environmental engineering contractors.

(b) The property development segment is in the business of developing properties and management of development projects.

(c) The property investment segment is in the business of leasing and management of investment properties.

(d) The hospitality segment is in the business of hotel operations.

(e) The education segment is in the business of providing education services.

(f) The corporate and others segment is involved in Group-level corporate services, treasury functions and investments in marketable securities (if any).

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

<b>Business Segments</b>	<b>Property Development</b>	<b>Construction</b>	<b>Property Investment</b>	<b>Hospitality</b>	<b>Education</b>	<b>Corporate &amp; Others</b>	<b>Total</b>
<b>Half year ended 30 June 2022</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Segment revenue</b>							
Total segment sales	295,098	307,306	3,605	28,374	22,587	5,359	662,329
Intersegment sales	(127)	(18,936)	(1,650)	-	-	(5,349)	(26,062)
Sales to external customers	<u>294,971</u>	<u>288,370</u>	<u>1,955</u>	<u>28,374</u>	<u>22,587</u>	<u>10</u>	<u>636,267</u>
Interest income	651	525	4	12	129	34	1,355
Finance costs	(5,687)	(272)	(951)	(2,754)	(1,764)	(4,615)	(16,043)
Depreciation and amortisation	(81)	(5,844)	(106)	(5,227)	(10,861)	(803)	(22,922)
Share of results of associates and joint ventures	(542)	(36)	843	-	9	274	548
Other material non-cash items:							
Provision for onerous contracts	-	(1,852)	-	-	-	-	(1,852)
Segment profit/(loss)	<u>48,518</u>	<u>16,294</u>	<u>1,070</u>	<u>(3,756)</u>	<u>(13,136)</u>	<u>(1,532)</u>	<u>47,458</u>

#### As at 30 June 2022

##### Assets and liabilities

Investments in joint ventures and associates	46,526	73	32,242	-	5,381	6,393	90,615
Additions to non-current assets:							
Property, plant and equipment	17	3,038	-	3,094	1,027	1,736	8,912
Investment properties	-	-	511	-	-	-	511
Intangible assets	-	-	-	-	265	-	265
Segment assets	<u>1,123,099</u>	<u>291,756</u>	<u>283,248</u>	<u>376,754</u>	<u>179,327</u>	<u>20,428</u>	<u>2,274,612</u>
Segment liabilities	<u>547,029</u>	<u>212,595</u>	<u>100,007</u>	<u>376,089</u>	<u>115,793</u>	<u>125,060</u>	<u>1,476,573</u>

#### Business Segments

<b>Business Segments</b>	<b>Property Development</b>	<b>Construction</b>	<b>Property Investment</b>	<b>Hospitality</b>	<b>Education</b>	<b>Corporate &amp; Others</b>	<b>Total</b>
<b>Half year ended 30 June 2021</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Segment revenue</b>							
Total segment sales	419,169	175,269	4,120	18,782	17,282	4,753	639,375
Intersegment sales	(84)	(10,625)	(1,492)	-	-	(4,753)	(16,954)
Sales to external customers	<u>419,085</u>	<u>164,644</u>	<u>2,628</u>	<u>18,782</u>	<u>17,282</u>	<u>-</u>	<u>622,421</u>
Interest income	96	126	6	3	18	11	260
Finance costs	(7,869)	(459)	(1,860)	(1,884)	(2,751)	(846)	(15,669)
Depreciation and amortisation	(94)	(5,531)	(16)	(5,066)	(10,705)	(307)	(21,719)
Share of results of associates and joint ventures	147	(81)	(3,329)	-	(3,452)	57	(6,658)
Net fair value loss on investment property	-	-	(3,000)	-	-	-	(3,000)
Other non-cash items:							
Share-based compensation expense	-	-	-	-	-	(453)	(453)
Provision for onerous contracts	-	(2,016)	-	-	-	-	(2,016)
Segment profit/(loss)	<u>35,632</u>	<u>3,113</u>	<u>(6,203)</u>	<u>(2,894)</u>	<u>(17,983)</u>	<u>(768)</u>	<u>10,897</u>

#### As at 31 December 2021

##### Assets and liabilities

Investments in joint ventures and associates	9	110	34,299	-	4,124	6,476	45,018
Additions to non-current assets:							
Property, plant and equipment	43	7,249	40	3,992	5,489	197	17,010
Investment properties	-	-	3,355	-	-	-	3,355
Intangible assets	-	-	-	-	508	-	508
Segment assets	<u>1,567,369</u>	<u>302,793</u>	<u>312,161</u>	<u>373,326</u>	<u>186,475</u>	<u>87,079</u>	<u>2,829,203</u>
Segment liabilities	<u>1,220,806</u>	<u>251,930</u>	<u>124,721</u>	<u>223,167</u>	<u>165,456</u>	<u>63,100</u>	<u>2,049,180</u>

## Geographical Segments

	Revenue	
	1H2022	1H2021
	\$'000	\$'000
Singapore	588,170	529,107
Australia	5,477	70,965
Maldives	16,339	9,641
Hong Kong	5,073	2,242
Malaysia	7,757	2,436
Bangladesh	5,778	4,626
Others	7,673	3,404
Total	<u>636,267</u>	<u>622,421</u>

	Non-current assets	
	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
Singapore	519,761	527,918
Australia	56,783	59,206
Maldives	121,613	118,033
Malaysia	33,000	33,352
Hong Kong	39,200	42,354
Others	9,633	10,212
Total	<u>779,990</u>	<u>791,075</u>

Non-current assets information presented above consist of property, plant and equipment, investment properties and intangible assets as presented in the consolidated balance sheet.

Lower revenue from Australia was attributable to the sale of development site at Gladstone street, South Melbourne in 1H2021.

Higher revenue from the Maldives was due to higher contribution from Grand Park Kodhipparu on the back of the easing of travel restrictions.

### Information about a major customer

During the financial period ended 30 June 2022, revenue from a major customer from the construction segment amounted to \$158,718,000. For the financial period ended 30 June 2021, no revenue from transactions with a single customer contributed to 10% or more to the Group's revenue.

### 3 Revenue

Disaggregation of revenue from contracts with customers

	Property Development \$'000	Construction \$'000	Property Investment \$'000	Hospitality \$'000	Education \$'000	Corporate & Others \$'000	Total \$'000
<b>Half year ended 30 June 2022</b>							
<b>Primary geographical markets</b>							
Singapore	294,971	271,224	1,397	7,116	13,452	10	588,170
Australia	-	-	558	4,919	-	-	5,477
Maldives	-	-	-	16,339	-	-	16,339
Hong Kong	-	-	-	-	5,073	-	5,073
Malaysia	-	4,937	-	-	2,820	-	7,757
Bangladesh	-	5,778	-	-	-	-	5,778
Others	-	6,431	-	-	1,242	-	7,673
	<u>294,971</u>	<u>288,370</u>	<u>1,955</u>	<u>28,374</u>	<u>22,587</u>	<u>10</u>	<u>636,267</u>
<b>Major product or service lines</b>							
Construction contracts	-	288,370	-	-	-	-	288,370
Development properties	294,823	-	-	-	-	-	294,823
Hotel operations	-	-	-	28,374	-	-	28,374
Rental of investment properties	-	-	1,955	-	-	-	1,955
School fee	-	-	-	-	22,570	-	22,570
Management fee	148	-	-	-	17	10	175
	<u>294,971</u>	<u>288,370</u>	<u>1,955</u>	<u>28,374</u>	<u>22,587</u>	<u>10</u>	<u>636,267</u>
<b>Timing of transfer of goods or services</b>							
At a point in time	148	23,621	-	7,810	594	10	32,183
Over time	294,823	264,749	1,955	20,564	21,993	-	604,084
	<u>294,971</u>	<u>288,370</u>	<u>1,955</u>	<u>28,374</u>	<u>22,587</u>	<u>10</u>	<u>636,267</u>
<b>Half year ended 30 June 2021</b>							
<b>Primary geographical markets</b>							
Singapore	352,748	157,312	2,222	4,919	11,906	-	529,107
Australia	66,337	-	406	4,222	-	-	70,965
Maldives	-	-	-	9,641	-	-	9,641
Hong Kong	-	-	-	-	2,242	-	2,242
Malaysia	-	186	-	-	2,250	-	2,436
Bangladesh	-	4,626	-	-	-	-	4,626
Others	-	2,520	-	-	884	-	3,404
	<u>419,085</u>	<u>164,644</u>	<u>2,628</u>	<u>18,782</u>	<u>17,282</u>	<u>-</u>	<u>622,421</u>
<b>Major product or service lines</b>							
Construction contracts	-	164,644	-	-	-	-	164,644
Development properties	419,085	-	-	-	-	-	419,085
Hotel operations	-	-	-	18,782	-	-	18,782
Rental of investment properties	-	-	2,628	-	-	-	2,628
School fee	-	-	-	-	17,254	-	17,254
Management fee	-	-	-	-	28	-	28
	<u>419,085</u>	<u>164,644</u>	<u>2,628</u>	<u>18,782</u>	<u>17,282</u>	<u>-</u>	<u>622,421</u>
<b>Timing of transfer of goods or services</b>							
At a point in time	66,337	21,993	-	5,214	589	-	94,133
Over time	352,748	142,651	2,628	13,568	16,693	-	528,288
	<u>419,085</u>	<u>164,644</u>	<u>2,628</u>	<u>18,782</u>	<u>17,282</u>	<u>-</u>	<u>622,421</u>

#### 4 Fair Value of Investment Properties

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties as at 31 December 2021:

Valuation techniques	Unobservable inputs	Range	Inter-relationship between key unobservable inputs and fair value measurement
Market comparable approach	Transacted price of comparable properties (psf)	\$255 - \$5,632	The estimated fair value increases with higher transacted price of comparable properties
Capitalisation approach	Capitalisation rate	4.00% - 7.00%	The estimated fair value varies inversely against the capitalisation rate, discount rate and terminal yield rate
Discounted cash flow approach	Discount rate	7.50%	
Residual land value method	Terminal yield rate	7.00%	The estimated fair value increases with higher gross development value and decreases with higher estimated development cost
	Gross development value	\$2,420 psf	
	Estimated development cost	\$350 psf	

For the purpose of this condensed interim financial statements for the half year ended 30 June 2022, valuation was obtained from the independent professional valuer for certain investment property. The significant unobservable input used by the valuer falls within the range in the above table.

For investment properties in which no valuation is performed as at 30 June 2022, management has assessed that there were no significant changes to the inputs and assumptions used by the valuers in the valuation techniques for their valuations as at 31 December 2021.

A reconciliation of the movements in Level 3 assets measured at fair value is presented in Note 11.

#### 5 Significant related party transactions

In addition to the related party information disclosed elsewhere in the interim condensed financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group	
	1H2022 \$'000	1H2021 \$'000
Contract of services paid to a director of the Company	399	352
Compensation to key management personnel	7,469	3,311
Interests on fixed rate notes paid/payable to directors/key management personnel of the Company	1,197	1,011
Interest income from joint ventures	480	32
Interest expense on loans from non-controlling interests	754	680
Management fee with joint ventures	175	28
Construction revenue earned from joint venture	4,774	-

## 6 Other gains/(losses) net and other income

	Note	Group		+/(-) %
		1H2022 \$'000	1H2021 \$'000	
Interest income		1,355	260	421.2
Rent concessions from landlords		54	112	(51.6)
Government grants	1	3,036	6,239	(51.3)
Rental income from non investment holding companies		554	568	(2.5)
Sales of materials		177	192	(7.8)
Deposits forfeited from buyers		427	267	59.8
Other miscellaneous income		1,418	827	71.5
Net foreign exchange gain/(losses)		820	235	249.6
Gain on disposal of subsidiary	2	588	-	NM
Property, plant and equipment written off		(215)	(30)	616.7
Net gain on disposal of property, plant and equipment		358	227	57.7
Net fair value loss on investment property	3	-	(3,000)	(100.0)
Writeback of impairment loss on trade and other receivables		20	-	NM
		<u>8,592</u>	<u>5,897</u>	45.7

Note:-

NM - Not meaningful.

- 1 Lower government grants was mainly attributable to lower grant under the Jobs Support Scheme.
- 2 Gain on disposal of subsidiary was attributable to the disposal of Evervit Development Pte Ltd.
- 3 Net fair value loss on investment property in 1H2021 was attributable to CES Centre.

## 7 Profit after tax

The following items have been included in arriving at profit after tax:

	Note	Group		+/(-) %
		1H2022 \$'000	1H2021 \$'000	
Employee benefits expenses	1	67,719	53,517	26.5
Depreciation of property, plant and equipment	2	21,121	20,238	4.4
Legal and professional fees		1,881	1,633	15.2
Property maintenance expenses		2,819	2,814	0.2
Amortisation of intangible assets		1,801	1,481	21.6
Provision for onerous contracts		1,852	2,016	(8.1)
One-off non-productive COVID-19 related expenses included in construction cost of sales	3	-	(1,293)	(100.0)
One-off non-productive COVID-19 related expenses included in development property cost of sales	4	1,150	1,389	(17.2)
(Over)/underprovision in respect of previous years		<u>(501)</u>	<u>344</u>	NM

Note:-

NM - Not meaningful.

- 1 Higher employee benefits expenses was in tandem with higher revenue and contribution from construction and education segments.
- 2 Higher depreciation was mainly due to additions to property, plant and equipment during the year.
- 3 Net write-back in 1H2021 arose from write-back of settlement for lower COVID-19 claims, partially offset by non-productive costs incurred in relation to COVID-19 safety measures.
- 4 Co-sharing of additional costs incurred by main contractors due to delays in the project caused by COVID-19.



## 8 Profit per share

	Group	
	1H2022	1H2021
Earnings per ordinary share for the period :-		
(i) Based on weighted average number of ordinary shares in issue (in cents)	4.91	0.01
(ii) On a fully diluted basis (in cents)	4.91	0.01

### Notes:

(i) The computation of basic earnings per share was based on the weighted average of 784,224,776 ordinary shares (30 June 2021: 783,408,201 ordinary shares).

(ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 784,224,776 ordinary shares (30 June 2021: 783,408,201 ordinary shares).

## 9 Net asset value

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	99.06	96.78	28.17	30.30

The computation of net asset value per ordinary share was based on 784,224,776 ordinary shares (excluding treasury shares of 39,793,900) (31 December 2021 : 784,224,776 ordinary shares excluding treasury shares of 39,793,900).

## 10 Property, plant and equipment

	Land and buildings \$'000	Right-of- use assets \$'000	Others \$'000	Total \$'000
As at 31 December 2021				
Cost	456,947	147,143	100,916	705,006
Accumulated depreciation and impairment	(55,933)	(38,067)	(59,403)	(153,403)
Net book value	<u>401,014</u>	<u>109,076</u>	<u>41,513</u>	<u>551,603</u>
Half year ended 30 June 2022				
Opening net book value	401,014	109,076	41,513	551,603
Additions	1,354	562	6,996	8,912
Disposals/Write-off	-	-	(601)	(601)
Exchange differences	1,045	2,288	217	3,550
Depreciation	(4,986)	(7,978)	(8,508)	(21,472)
Closing net book value	<u>398,427</u>	<u>103,948</u>	<u>39,617</u>	<u>541,992</u>
At 30 June 2022				
Cost	459,739	148,872	104,663	713,274
Accumulated depreciation and impairment	(61,312)	(44,924)	(65,046)	(171,282)
Net book value	<u>398,427</u>	<u>103,948</u>	<u>39,617</u>	<u>541,992</u>

As at 30 June 2022, the future lease payments for non-cancellable lease contract are \$0.3 million within 1 year, \$2.3 million within 2 to 5 years, and \$7.4 million thereafter.

## 11 Investment properties

	Group	
	30 Jun 2022 \$'000	31 Dec 2021 \$'000
At beginning of period	193,434	296,759
Net loss from fair value adjustments recognised in profit or loss	-	(6,507)
Additions	511	3,355
Disposals	-	(32,000)
Transfer to property, plant and equipment	-	(40,390)
Transfer to assets held for sale	-	(27,000)
Exchange differences	(450)	(783)
At end of period	<u>193,495</u>	<u>193,434</u>

## 12 Development properties

	Group	
	30 Jun 2022 \$'000	31 Dec 2021 \$'000
Properties under development, units for which revenue is recognised over time		
Land and land related cost	377,016	529,999
Development costs	<u>56,059</u>	<u>71,169</u>
	433,075	601,168
Properties under development, units for which revenue is recognised at a point in time		
Land and land related cost	35,717	36,505
Development costs	<u>10,963</u>	<u>10,611</u>
	46,680	47,116
Total	<u>479,755</u>	<u>648,284</u>

### 13 Borrowings

	As at 30 Jun 2022 \$'000	As at 31 Dec 2021 \$'000
<b>Amount repayable in one year or less, or on demand</b>		
- Secured	368,952	440,211
- Unsecured	18,072	60,039
<b>Amount repayable after one year</b>		
- Secured	489,292	808,375
- Unsecured	133,671	148,609
	<u>1,009,987</u>	<u>1,457,234</u>

#### Details of any collateral

The Group's total borrowings of \$1.0 billion are loans taken to finance property development projects, investment properties, school campus, hotels and for working capital.

The Group's secured borrowings are mainly secured by:

- (a) legal mortgage on the development properties, investment properties, precast yard, school campus and hotels;
- (b) assignment of sale and rental proceeds, present and future tenancy and sale agreements;
- (c) assignment of construction contracts, performance bonds and insurance policies;
- (d) subordination of shareholder's loan;
- (e) fixed and floating charge on all the assets of certain hotels;
- (f) assignment of building agreements;
- (g) assignment of dividends to be received; and
- (h) charge of bank accounts with the banker.

The Group's unsecured borrowings comprise mainly the following notes issued under its \$750 million Multicurrency Debt Issuance Programme:

- (a) \$120.0 million 3-year fixed rate notes issued on 6 December 2021. The notes bear interest at the rate of 6.5 per cent. per annum payable semi-annually in arrear and will be due in December 2024.

The Group redeemed \$54.0 million of the notes upon maturity in the six months ended 30 June 2022.

## **F Other Information Required by Listing Rule Appendix 7.2**

### **Other information**

#### **1 Audit/ Review**

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended and certain explanatory notes have not been audited or reviewed.

#### **2 Share capital**

- (i) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued share capital (excluding treasury shares) for the financial period ended 30 June 2022.

As at 30 June 2022, the number of outstanding share options under the Company's Employee Share Option Scheme was 30,000,000 (31 December 2021: 40,000,000).

- (ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The total number of issued shares excluding treasury shares of 39,793,900 (31 December 2021: 39,793,900) shares as at 30 June 2022 was 784,224,776 (31 December 2021: 784,224,776) shares.

- (iii) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

- (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on**

Not applicable.

- 3 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

#### **Half year results : 1H2022 vs 1H2021**

##### **Overall**

Gross revenue increased by 2.2% from \$622.4 million to \$636.3 million. The increase was mainly due to improved performance from Construction, Hospitality and Education segments, partially offset by lower revenue from Property Development segment. In tandem with higher revenue, gross profit increased by a greater magnitude by 48.7% from \$78.4 million to \$116.6 million with higher margins achieved by the development properties. In line with higher gross profit, profit before tax increased by 335.5% from \$10.9 million to \$47.5 million and profit after tax increased by 319.0% from \$9.2 million to \$38.5 million.

##### **Property Development**

Revenue decreased by 29.6% from \$419.1 million to \$295.0 million mainly attributable to absence of sale of development site at Gladstone Street, South Melbourne and Grandeur Park Residences and lower contribution from Park Colonial, partially offset by higher contributions from Kopar at Newton and Parc Komo.

##### **Construction**

Revenue increased by 75.1% from \$164.6 million to \$288.4 million mainly due to higher contributions from Sengkang N4C39 & C40, Pasir Ris N5C26&C27, Woodlands N1C25 and LTA J107.

##### **Hospitality**

Revenue increased by 51.1% from \$18.8 million to \$28.4 million due to higher contributions from all hotels driven by the easing of global travel restrictions.

##### **Education**

Revenue increased by 30.7% from \$17.3 million to \$22.6 million mainly due to higher contributions from the Invictus-brand international schools.

##### **Property Investment & Others**

Revenue decreased by 25.2% from \$2.6 million to \$2.0 million due to absence of income from the investment properties disposed in 2021 and lower income from CES Building which was disposed in March 2022.

##### **Group Statement of Financial Position Review**

The Group's non-current assets increased from \$899.9 million to \$938.5 million mainly due to acquisition of 21% interest in joint venture, PRE 13 Pte. Ltd. in April 2022. Net current assets decreased by \$368.8 million from \$989.2 million to \$620.4 million mainly due to reclassification of certain borrowings from non-current to current liabilities, partially offset by the repayment of borrowings largely financed by sale proceeds from development properties. Non-current liabilities decreased from \$1.1 billion to \$760.9 million mainly due to reclassification of certain borrowings from non-current to current liabilities.

Total equity increased from \$780.0 million to \$798.0 million, after taking into account a net profit of \$38.5 million recorded in 1H2022 and dividend payment to shareholders of \$15.7 million. With higher equity and lower borrowings, the Group's net-debt-to-equity ratio decreased from 1.22 as at 31 December 2021 to 0.85 as at 30 June 2022.

- 4 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

## **5 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

### **Property Development**

#### Singapore

Based on statistics released by the Urban Redevelopment Authority, the private residential property price index increased by 3.5% in 2Q2022, compared to a muted 0.7% increase in the previous quarter. As at end of 2Q2022, there were 48,836 uncompleted private residential units (excluding ECs) in the pipeline with planning approvals, as compared with 47,415 units in the previous quarter. Of these, 15,805 units remained unsold as at the end of 2Q2022, up from 14,087 units in previous quarter.

Compared to the sales figures as at 25 March 2022, sales to-date based on options to purchase issued for Parc Komo increased further from 91.3% to 99.3% and for Kopar at Newton, from 71.7% to 82.8%.

Amidst the current macroeconomic factors such as rising interest and inflation rates, the ongoing COVID-19 pandemic as well as geopolitical tensions ensuing from the ongoing Russia-Ukraine conflict, the Group will exercise caution while growing its development pipeline.

#### Australia

Based on data released by Australia's property data research provider, CoreLogic, home prices recorded a second consecutive month of value declines of 0.4% in June and 0.2% lower over the June quarter. As announced on 21 July 2022, the Group will exercise its contractual right to terminate the sale contracts in South Perth, Western Australia, 28 Lyall in view of the financial viability of the project amidst the rising costs caused by the COVID-19 pandemic and ongoing Russia-Ukraine conflict. The Group will explore other viable options with regard to this site.

### **Construction**

Based on advance estimates from the Ministry of Trade and Industry, the construction sector grew by 3.8% year-on-year in the second quarter, faster than the 1.8% growth in the previous quarter. Construction activity picked up during the quarter, supported in part by the relaxation of border restrictions on the inflow of migrant workers. As at 30 June 2022, the Group's order book for its construction business segment stood at \$1.33 billion, down from \$1.35 billion as at 31 December 2021.

### **Hospitality**

Singapore Tourism Board reported that in the first half of 2022, Singapore clocked 1.5 million visitor arrivals, nearly 12 times more compared to the same period in 2021 of 119,000. Over in the Maldives, Ministry of Tourism registered 813,000 tourist arrivals in the first half of 2022, 6% lower than pre-pandemic tourist arrivals in the first half of 2019.

Whilst the Group's hotel in Singapore will be closed for refurbishment from end-August and is expected to reopen for business under the "Momentum" brand only in first quarter of 2023, the Group will exercise caution in pricing to remain competitive in the Maldives amidst stiff competition from the new resorts.

### **Education**

With more countries opening their borders and reduced measures that restrict business and social activities in managing COVID-19 pandemic, our K-12 schools show steady enrolment growth. Our schools in Bangkok and Phnom Penh show healthy growth in enrolment. However, as our preschools are in an increasingly competitive landscape, its enrolment remains flat. We are reviewing our strategies for marketing, educational programmes, and staffing to increase our preschool enrolment. We continue to invest in using technologies for learning in our K-12 schools and preschools. We are on track to launch our proprietary Invictus Global Schoolhouse programme (the "IGSH Programme") in the second half of 2022. The IGSH Programme is our 3-year Smart School blended learning programme that prepares students from non-English speaking countries for the Cambridge International A-level examinations. The IGSH Programme offers a flexible educational delivery model. We are also implementing digital learning for elementary education for our K-12 schools and preschools in collaboration with our system and content partners. Once we build our brand value for digital learning solutions in the market, we expect our digital learning solutions to contribute significantly to the future sustainable expansion of our education business in the region.

## **6 Dividend**

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?  
No.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?  
No.

### **(c) Date payable**

Not applicable.

### **(d) Record date**

Not applicable.

### **7 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommendeded for the period ended 30 June 2022 as it is not the usual practice of the Group to declare interim dividends.

### **8 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have a shareholders' mandate for interested person transactions.

### **9 Confirmation pursuant to Rule 705(5)**

We, Chia Lee Meng Raymond and Tan Tee How, being two of the Directors of Chip Eng Seng Corporation Ltd. (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and of the Group for the half year ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Chia Lee Meng Raymond	Tan Tee How
Executive Director and Group Chief Executive Officer	Executive Director

### **10 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1).

## **BY ORDER OF THE BOARD**

**Chia Lee Meng Raymond**  
**Executive Director and Group Chief Executive Officer**  
**5 August 2022**