CHIP ENG SENG CORPORATION LTD.

Condensed interim financial statements
for the half year ended 30 June 2021

Contents

Condensed interim financial statements for the half year ended 30 June 2021

A (i) Condensed interim consolidated income statement

	Note	Group 1H2021 $'000	Group 1H2020 $'000	+/(-) %
Revenue				
- Property development		419,085	197,267	112.4
- Construction		164,644	58,339	182.2
- Hospitality		18,782	19,960	(5.9)
- Education		17,282	11,471	50.7
- Property investment & others		2,628	2,934	(10.4)
		622,421	289,971	114.6
Cost of sales		(543,987)	(255,612)	112.8
Gross profit		78,434	34,359	128.3
Other items of income				
Interest income		260	968	(73.1)
Other income	1	8,667	14,070	(38.4)
Other items of expense				
Marketing and distribution expenses	2	(2,969)	(6,426)	(53.8)
Administrative expenses	3	(51,168)	(47,005)	8.9
Finance costs	4	(15,669)	(22,264)	(29.6)
Share of results of associates and joint ventures	5	(6,658)	1,053	NM
Profit/(Loss) before tax		10,897	(25,245)	NM
Income tax expense		(1,718)	(439)	291.3
Profit/(Loss) after tax		9,179	(25,684)	NM
Profit/(Loss) attributable to:				
Owners of the Company		99	(24,415)	NM
Non-controlling interests		9,080	(1,269)	NM
		9,179	(25,684)	NM
Earnings/(Loss) per share attributable to owners of the Company (cents per share)				
Basic		0.01	(3.12)	
Diluted		0.01	(3.12)	

Note:-
NM - Not meaningful.

Notes to Condensed interim consolidated income statement

1 The decrease in other income in 1H2021 was due to lower government grants for the COVID-19 pandemic and lower foreign exchange gain. The lower foreign exchange gain in 1H2021 was due mainly to strengthening of United States dollars, partially offset by weakening of Australian dollars as compared to strengthening of both United States dollars and Australian dollars in 1H2020.

2 The decrease in marketing and distribution expenses in 1H2021 was due mainly to lower marketing expenses incurred on Kopar at Newton.

3 The increase in administrative expenses in 1H2021 was due mainly to fair value loss on investment property, higher depreciation and amortisation expense.

4 The decrease in finance costs in 1H2021 was in line with lower borrowings and interest rates.

5 Share of losses from associates and joint ventures was mainly attributable to fair value loss of investment property in Roxy-CES Pty Ltd as compared to a fair value gain in 1H2020, and share of loss from Cybint International Group which was acquired in September 2020.

A (ii) Condensed interim consolidated statement of comprehensive income

	Note	Group 1H2021 $'000	Group 1H2020 $'000	+/(-) %
Profit/(Loss) after tax		9,179	(25,684)	NM
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Share of gain on property revaluation of associate		218	178	22.5
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	1	(918)	1,528	NM
Share of foreign currency translation of associates and joint ventures		(214)	167	NM
		(1,132)	1,695	NM
Other comprehensive income for the period, net of tax		(914)	1,873	NM
Total comprehensive income for the period		8,265	(23,811)	NM
Total comprehensive income attributable to:				
Owners of the Company		(466)	(22,455)	(97.9)
Non-controlling interests		8,731	(1,356)	NM
		8,265	(23,811)	NM

Notes to Condensed interim consolidated statement of comprehensive income

1 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 1H2021 was mainly due to depreciation of Australian dollars against Singapore dollars on the Group's foreign net assets which are largely denominated in Australian dollars.

Note:-
NM - Not meaningful.

B. Condensed interim balance sheets

	Note	The Group 30 Jun 2021 $'000	The Group 31 Dec 2020 $'000	Note	The Company 30 Jun 2021 $'000	The Company 31 Dec 2020 $'000
Non-current assets						
Property, plant and equipment	1	565,947	535,695		1,790	2,166
Investment properties	2	230,166	296,759		-	-
Intangible assets		48,399	49,880		332	363
Investments in subsidiaries		-	-		124,192	124,192
Investments in joint ventures and associates	3	69,527	39,273		650	650
Deferred tax assets		8,257	5,672		-	-
Trade and other receivables	4	13,824	32,972	13	305,272	289,710
		936,120	960,251		432,236	417,081
Current assets						
Development properties	5	788,504	1,094,181		-	-
Assets held for sale	6	23,500	-		-	-
Inventories		4,511	2,851		-	-
Prepayments		9,116	5,515		42	77
Trade and other receivables	7	234,247	419,241	14	64,295	86,412
Contract assets	8	485,737	329,211		-	-
Deferred contract costs		16,861	15,121		-	-
Cash and short-term deposits		402,387	374,040		5,672	4,439
		1,964,863	2,240,160		70,009	90,928
Total assets		**2,900,983**	**3,200,411**		**502,245**	**508,009**
Current liabilities						
Loans and borrowings	9	496,016	197,608	15	25,250	13,000
Trade and other payables	10	80,399	91,890	16	147,859	28,045
Contract liabilities	11	47,948	59,385		-	-
Provision		5,673	7,030		-	-
Other liabilities		120,653	121,559		1,262	2,008
Income tax payable	12	18,722	12,995		817	586
		769,411	490,467		175,188	43,639
Net current assets/(liabilities)		**1,195,452**	**1,749,693**	17	**(105,179)**	**47,289**
Non-current liabilities						
Loans and borrowings	9	1,036,616	1,600,122	15	-	25,250
Trade and other payables		163,234	159,271	18	156,277	253,243
Other liabilities		102,533	107,050		137	293
Deferred tax liabilities	12	14,439	26,216		16	16
		1,316,822	1,892,659		156,430	278,802
Total liabilities		**2,086,233**	**2,383,126**		**331,618**	**322,441**
		814,750	**817,285**		**170,627**	**185,568**
Equity attributable to owners of the Company						
Share capital		175,978	175,978		175,978	175,978
Treasury shares		(29,357)	(29,719)		(29,357)	(29,719)
Retained earnings		653,792	669,361		18,955	34,349
Other reserves		(6,721)	(6,247)		5,051	4,960
		793,692	809,373		170,627	185,568
Non-controlling interests		21,058	7,912		-	-
Total equity		**814,750**	**817,285**		**170,627**	**185,568**

Notes to Condensed interim balance sheets

Note

The Group

1 The increase in property, plant and equipment was mainly due to a transfer of $40.4 million from investment property as it was decided that certain units in the investment property were redesignated for own use.

2 The decrease in investment properties was due to transfer of certain units in an investment property to 'Property, plant and equipment', transfer of 2 investment properties to 'Assets held for sale' and fair value loss on investment property.

3 The increase in investments in joint ventures and associates was mainly due to reclassification of loan to a joint venture to investment in joint venture.

4 The decrease in non-current trade and other receivables was due to reclassification of loan to a joint venture to investment in joint venture.

5 The decrease in development properties was mainly due to the progressive recognition of development costs in cost of sales in respect of units sold for Park Colonial and disposal of the development property located at Gladstone Street in South Melbourne.

6 During the half year ended 30 June 2021, the Company's subsidiary, CES Capital Holdings Pte. Ltd., has entered into separate agreements to sell its shophouses in Geylang and Tanjong Pagar for $13.5 million and $10.7 million respectively. The disposal for the property at Geylang is completed in July 2021 and the other property is expected to be completed by year end. Accordingly, these investment properties were reclassified to 'Assets held for sale'.

7 The decrease in current trade and other receivables was mainly due to receipts from purchasers of Grandeur Park Residences.

8 The increase in contract assets was mainly due to higher recognition of revenue for work completed but not billed for Park Colonial.

9 The decrease in total loans and borrowings was mainly due to repayment of bank borrowings for development properties and redemption of $13 million term notes upon its maturity in June 2021, partially offset by drawdowns of new working capital loans. The increase in current loans and borrowings was due mainly to reclassification of bank borrowings for Park Colonial and $125.3 million term notes as their maturities are within the next 12 months.

10 The decrease in current trade and other payables was mainly due to lower option fee received from purchasers of Park Colonial and Kopar at Newton and release of retention sum for High Park Residences.

11 The decrease in contract liabilities was mainly due to the lower progress payments billed as compared to recognition of revenue for work completed in development properties and construction projects.

12 The increase in income tax payables and decrease in deferred tax liabilities was due to reclassification of tax liabilities from non-current to current for completed project. The reduction in total tax liabilities was due mainly to tax paid during the period.

The Company

13 The increase in non-current trade and other receivables was due to working capital loans extended to subsidiaries.

14 The decrease in current trade and other receivables was due to repayment from subsidiaries.

15 $25.3 million term notes due for repayment in May 2022 was reclassified from non-current to current liabilities and $13.0 million term notes were redeemed upon its maturity in June 2021.

16 The increase in current trade and other payables was mainly due to a reclassification of loan from a subsidiary from non-current to current and additional loan extended from another subsidiary.

17 The negative working capital position as at 30 June 2021 was due to reclassification of loan from a subsidiary and $25.3 million term notes from non-current to current liabilities.

18 The decrease in non-current trade and other payables was mainly due to a reclassification of loan from a subsidiary from non-current to current.

C. Condensed interim statements of changes in equity

Group	Attributable to owners of the Company										
	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	Non-controlling interests $'000	Total equity $'000
At 1 January 2021	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	-	-	-	-	-	-	-	(15,668)	(15,668)	-	(15,668)
Share-based compensation expenses	-	-	-	453	-	-	-	-	453	-	453
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	4,415	4,415
Treasury shares reissued pursuant to performance share plan	-	362	(139)	(223)	-	-	-	-	-	-	-
At 30 June 2021	175,978	(29,357)	(1,056)	6,107	(8,146)	3,007	(6,633)	653,792	793,692	21,058	814,750

Group	Attributable to owners of the Company										
	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	Non-controlling interests $'000	Total equity $'000
At 1 January 2020	175,978	(30,034)	(868)	4,973	(1,245)	2,611	(14,891)	781,745	918,269	29,002	947,271
Total comprehensive income for the period	-	-	-	-	-	178	1,782	(24,415)	(22,455)	(1,356)	(23,811)
Share buyback	-	(47)	-	-	-	-	-	-	(47)	-	(47)
Dividends paid to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(26,800)	(26,800)
Share-based compensation expenses	-	-	-	755	-	-	-	-	755	-	755
Treasury shares reissued pursuant to performance share plan	-	362	(49)	(313)	-	-	-	-	-	-	-
Capital contribution to non-wholly owned subsidiary	-	-	-	-	(3,214)	-	-	-	(3,214)	3,214	-
At 30 June 2020	175,978	(29,719)	(917)	5,415	(4,459)	2,789	(13,109)	757,330	893,308	4,060	897,368

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

Company	Issued capital $'000	Treasury shares $'000	Treasury shares reserve $'000	Share-based compensation reserve $'000	Retained earnings $'000	Total equity $'000
At 1 January 2020	175,978	(30,034)	(868)	4,973	46,869	196,918
Total comprehensive income for the period	-	-	-	-	717	717
Share buyback	-	(47)	-	-	-	(47)
Share-based compensation expenses	-	-	-	755	-	755
Treasury shares reissued pursuant to performance share plan	-	362	(49)	(313)	-	-
At 30 June 2020	175,978	(29,719)	(917)	5,415	47,586	198,343

D. Condensed interim consolidated cash flow statement

	Group	
	1H2021	1H2020
	$'000	$'000
Cash flows from operating activities		
Profit/(Loss) before tax	**10,897**	**(25,245)**
Adjustments for:		
Interest income	(260)	(968)
Gain on disposal of property, plant and equipment	(227)	(26)
Finance costs	15,669	22,264
Property, plant and equipment written off	30	-
Provision for onerous contract	2,016	6,200
Depreciation of property, plant and equipment	20,238	18,679
Amortisation of intangible assets	1,481	283
Recognition of deferred contract costs	12,931	4,511
Net fair value loss on investment properties	3,000	-
Unrealised exchange differences	(624)	(2,719)
Rent concessions from landlords	(112)	(886)
Share of results of associates and joint ventures	6,658	(1,053)
Impairment loss on trade and other receivables	-	128
Share-based compensation expenses	453	755
Operating profit before changes in working capital	72,150	21,923
Changes in working capital:		
Development properties	281,840	121,410
Assets held for sale	23,500	-
Deferred contract costs	(14,673)	(4,708)
Inventories	(1,661)	(790)
Prepayments	(3,619)	(3,477)
Trade and other receivables and contract assets	27,895	(2,665)
Trade and other payables and contract liabilities	(15,192)	(11,710)
Other liabilities	(4,838)	(14,695)
Cash generated from operations	**365,402**	**105,288**
Interest paid	(16,222)	(24,676)
Interest received	197	1,177
Income taxes paid	(10,343)	(741)
Net cash generated from operating activities	**339,034**	**81,048**
Cash flows from investing activities:		
Purchase of property, plant and equipment	(5,767)	(10,118)
Proceeds from disposal of property, plant and equipment	564	41
Advances to joint ventures	(9,211)	-
Investments in joint ventures	(7,357)	-
Additions to investment properties	(286)	(468)
Net cash used in investing activities	**(22,057)**	**(10,545)**
Cash flows from financing activities:		
Repayment of loans and borrowings	(322,095)	(45,159)
Proceeds from loans and borrowings	69,179	10,000
Redemption of term notes	(13,000)	-
Dividends paid on ordinary shares	(15,668)	-
Dividends paid to non-controlling interest	-	(26,800)
Contribution from non-controlling interests	450	-
Decrease in short-term deposits pledged	3,233	-
Purchase of treasury shares	-	(47)
Payment of principal portion of lease liabilities	(7,267)	(17,900)
Net cash used in financing activities	**(285,168)**	**(79,906)**
Net increase/(decrease) in cash and cash equivalents	31,809	(9,403)
Effect of exchange rate changes on cash and cash equivalents	(229)	532
Cash and cash equivalents at beginning of the period	369,784	374,231
Cash and cash equivalents at end of the period	**401,364**	**365,360**

	Group	
	1H2021	1H2020
	$'000	$'000
Cash and cash equivalents comprise:		
Short term fixed deposits	153,818	190,940
Cash and bank balances	248,569	178,676
Cash and cash equivalents as shown on balance sheet	402,387	369,616
Less: Deposits pledged as security	(1,023)	(4,256)
	401,364	**365,360**

Net cash generated from operating activities

Higher net cash generated from operating activities in 1H2021 was mainly due to proceeds received from purchasers of Granduer Park Residences and Park Colonial.

Net cash used in investing activities

Higher net cash used in investing activities in 1H2021 was mainly due to investments and advances to joint ventures, partially offset by lower purchase of property, plant and equipment.

Net cash used in financing activities

Higher net cash used in financing activities in 1H2021 was mainly due to higher net repayment of loans, mainly from Granduer Park Residences and Park Colonial.

E. Notes to condensed interim financial statements

1 Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2021 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 2020.

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 and the below accounting policy which applies to a new asset class presented on the consolidated balance sheet as at 30 June 2021.

Assets held for sale

Assets that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets are remeasured in accordance with the applicable SFRS(I) immediately before the reclassification as held for sale.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

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 2021. 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 2020.

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 2021:

1.2(a) Revaluation of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in proft 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 2020. 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 2021, the management reviewed the valuation reports prepared by professional valuers as at 31 December 2020 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 the resultant fair value change was 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 calculations. The value in use 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 2021, management has reviewed and considered the cash flows projections for the CGU. As there were no impairment indicators at 30 June 2021, 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 2021 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 2020. 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 2021, 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 2021, 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 $24.5 million lower and $7.1 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 $15.4 million higher and profit before tax would have been $6.5 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.

(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.

Business Segments

Half year ended 30 June 2021	Property Development $'000	Construction $'000	Property Investment $'000	Hospitality $'000	Education $'000	Corporate & Others $'000	Total $'000
Segment revenue							
Total segment sales	422,564	192,774	4,487	19,561	20,658	4,753	664,797
Intersegment sales	(3,479)	(28,130)	(1,859)	(779)	(3,376)	(4,753)	(42,376)
Sales to external customers	419,085	164,644	2,628	18,782	17,282	-	622,421
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 properties	-	-	(3,000)	-	-	-	(3,000)
Other non-cash items:							
Share-based compensation expense	-	-	-	-	-	(453)	(453)
Provision for onerous contract	-	(2,016)	-	-	-	-	(2,016)
Segment profit	35,632	3,113	(6,203)	(2,894)	(17,983)	(768)	10,897
As at 30 June 2021							
Assets and liabilities							
Investments in joint ventures and associates	365	171	37,433	-	25,155	6,403	69,527
Additions to non-current assets:							
Property, plant and equipment	3	2,702	38	2,303	3,388	84	8,518
Investment properties	-	-	469	-	-	-	469
Segment assets	1,698,519	257,722	353,701	370,541	206,330	14,170	2,900,983
Segment liabilities	1,349,990	205,318	136,301	219,925	154,879	19,820	2,086,233

Business Segments

Half year ended 30 June 2020	Property Development $'000	Construction $'000	Property Investment $'000	Hospitality $'000	Education $'000	Corporate & Others $'000	Total $'000
Segment revenue							
Total segment sales	201,625	77,965	4,354	20,533	13,153	4,710	322,340
Intersegment sales	(4,358)	(19,626)	(1,420)	(573)	(1,682)	(4,710)	(32,369)
Sales to external customers	197,267	58,339	2,934	19,960	11,471	-	289,971
Interest income	546	101	5	15	159	142	968
Finance costs	(14,239)	(188)	(2,100)	(2,629)	(2,326)	(782)	(22,264)
Depreciation and amortisation	(184)	(3,205)	(53)	(6,397)	(8,744)	(379)	(18,962)
Share of results of associates and joint ventures	75	-	1,542	-	(596)	32	1,053
Other non-cash items:							
Share-based compensation expense	-	-	-	-	-	(755)	(755)
Provision for onerous contract	-	(6,200)	-	-	-	-	(6,200)
Segment profit	3,338	(14,999)	2,410	(2,669)	(12,997)	(328)	(25,245)
As at 31 December 2020							
Assets and liabilities							
Investments in joint ventures and associates	220	252	11,819	-	20,854	6,128	39,273
Additions to non-current assets:							
Property, plant and equipment	5	31,545	8	38,255	49,509	714	120,036
Investment properties	-	-	911	-	-	-	911
Intangible assets	-	4,434	-	-	-	-	4,434
Segment assets	1,980,303	267,085	354,320	368,378	216,483	13,842	3,200,411
Segment liabilities	1,618,266	205,197	138,883	223,211	163,218	34,351	2,383,126

Geographical Segments

	Revenue		Non-current assets	
	1H2021 $'000	1H2020 $'000	30 Jun 2021 $'000	31 Dec 2020 $'000
Singapore	536,439	274,626	574,510	608,881
Australia	70,965	3,670	58,284	58,660
Maldives	9,641	8,454	119,610	118,770
Malaysia	2,250	3,059	34,618	35,069
Hong Kong	2,242	162	46,410	49,714
Others	884	-	11,080	11,240
Total	622,421	289,971	844,512	882,334

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

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
Half year ended 30 June 2021							
Primary geographical markets							
Singapore	352,748	164,644	2,222	4,919	11,906	-	536,439
Australia	66,337	-	406	4,222	-	-	70,965
Maldives	-	-	-	9,641	-	-	9,641
Malaysia	-	-	-	-	2,250	-	2,250
Hong Kong	-	-	-	-	2,242	-	2,242
Others	-	-	-	-	884	-	884
	419,085	164,644	2,628	18,782	17,282	-	622,421
Major product or service lines							
Construction contracts	-	142,651	-	-	-	-	142,651
Precast components	-	21,993	-	-	-	-	21,993
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
	419,085	164,644	2,628	18,782	17,282	-	622,421
Timing of transfer of goods or services							
At a point in time	66,337	21,993	2,628	18,782	589	-	110,329
Over time	352,748	142,651	-	-	16,693	-	512,092
	419,085	164,644	2,628	18,782	17,282	-	622,421
Half year ended 30 June 2020							
Primary geographical markets							
Singapore	197,267	57,816	2,566	8,204	8,773	-	274,626
Australia	-	-	368	3,302	-	-	3,670
Maldives	-	-	-	8,454	-	-	8,454
Malaysia	-	523	-	-	2,536	-	3,059
Hong Kong	-	-	-	-	162	-	162
Others	-	-	-	-	-	-	-
	197,267	58,339	2,934	19,960	11,471	-	289,971
Major product or service lines							
Construction contracts	-	49,951	-	-	-	-	49,951
Precast components	-	8,388	-	-	-	-	8,388
Development properties	197,267	-	-	-	-	-	197,267
Hotel operations	-	-	-	19,960	-	-	19,960
Rental of investment properties	-	-	2,934	-	-	-	2,934
School fee	-	-	-	-	11,471	-	11,471
	197,267	58,339	2,934	19,960	11,471	-	289,971
Timing of transfer of goods or services							
At a point in time	-	8,388	2,934	19,960	42	-	31,324
Over time	197,267	49,951	-	-	11,429	-	258,647
	197,267	58,339	2,934	19,960	11,471	-	289,971

4 Fair Value of Assets and Liabilities

(a) Fair value hierachy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

(b) Assets and liabilities measured at fair value

No financial assets were measured at fair value as at 30 June 2021 and 31 December 2020.

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments	**Significant observable inputs other than quoted prices**	**Significant unobservable inputs**	**Total**
30 June 2021				
Non-financial assets:				
Investment properties				
Commercial properties	-	-	230,166	230,166
31 December 2020				
Non-financial assets:				
Investment properties				
Commercial properties	-	-	296,759	296,759

(c) Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy as at 31 December 2020:

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 - $4,223	The estimated fair value increases with higher transacted price of comparable properties
Capitalisation approach	Capitalisation rate	7.25%	The estimated fair value varies inversely against the capitalisation rate, discount rate and terminal yield rate
Discounted cash flow approach	Discount rate	7.50%	
	Terminal yield rate	7.25%	
Residual land value method	Gross development value	$2,420 psf	The estimated fair value increases with higher gross development value and decreases with higher estimated development cost
	Estimated development cost	$333 psf	

For the purpose of this condensed interim financial statements for the half year ended 30 June 2021, 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 2021, management has assessed that the inputs and assumptions used by the valuers in the valuation techniques for their valuation as at 31 December 2020, such as occupancy rate, cashflows, capitalisation rate and discount rate, remains appropriate.

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	
	1H2021 $'000	1H2020 $'000
Sale of development property to a family member of a director of the Company	-	1,202
Contract of services paid to a director of the Company	352	300
Compensation to key management personnel	3,311	4,745
Interests on fixed rate notes paid/payable to directors/key management personnel of the Company	1,011	988

6 Other income

	Note	Group 1H2021 $'000	Group 1H2020 $'000	+/(-) %
Rental income from non-investment holding companies		568	496	14.5
Sales of materials		192	273	(29.7)
Government grants	1	6,239	8,368	(25.4)
Rent concessions from landlords		112	886	(87.4)
Deposits forfeited from buyers		267	258	3.5
Gain on disposal of property, plant and equipment		227	26	773.1
Foreign exchange gain	2	235	3,346	(93.0)
Others		827	417	98.4
		8,667	14,070	

1 Included grants received from Singapore Government to help businesses deal with impact from COVID-19 and excluding those that the Group is obliged to pass on the benefits to its tenants in the form of rental rebates during the period.

2 Foreign exchange gain in 1H2020 was mainly due to strengthening of Australian dollars and United States dollars in 1H2020.

7 Profit/(Loss) after tax

The following items have been included in arriving at profit/(loss) after tax:

	Note	Group 1H2021 $'000	Group 1H2020 $'000	+/(-) %
Employee benefits expenses	1	53,517	44,965	19.0
Depreciation of property, plant and equipment	2	20,238	18,679	8.3
Legal and professional fees		1,633	2,412	(32.3)
Property maintenance expenses		2,814	2,458	14.5
Amortisation of intangible assets		1,481	283	423.3
Provision for onerous contract		2,016	6,200	(67.5)
Fair value loss on investment properties		3,000	-	NM
One-off non-productive COVID-19 related expenses included in construction cost of sales	3	(1,293)	5,710	NM
One-off non-productive COVID-19 related expenses included in development property cost of sales		1,389	-	NM
Under/(Over)provision of tax in respect of previous years		344	(62)	NM

1 Higher employee benefits expenses was in tandem with higher revenue and contribution from CES_Salcon Pte. Ltd. which was acquired in December 2020.

2 The increase in depreciation charges was mainly due to higher depreciation of right-of-use assets arising from new leases signed for Invictus-brand international schools.

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.

Note:-
NM - Not meaningful.

8 Earnings per share

	Group	
	1H2021	1H2020
Earnings per ordinary share for the period :-		
(i) Based on weighted average number of ordinary shares in issue (in cents)	0.01	(3.12)
(ii) On a fully diluted basis (in cents)	0.01	(3.12)

Notes:

(i) The computation of basic earnings per share was based on the weighted average of 783,408,201 ordinary shares (30 June 2020: 782,968,148 ordinary shares).

(ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 783,408,201 ordinary shares (30 June 2020: 782,968,148 ordinary shares).

9 Net asset value

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	101.31	103.38	21.78	23.70

The computation of net asset value per ordinary share was based on 783,424,776 ordinary shares (excluding treasury shares of 40,593,900) (31 December 2020 : 782,924,776 ordinary shares excluding treasury shares of 41,093,900).

10 Property, plant and equipment

	Land and buildings $'000	Right-of-use assets $'000	Others $'000	Total $'000
As at 31 December 2020				
Cost	419,280	143,938	92,779	655,997
Accumulated amortisation and impairment	(49,902)	(22,799)	(47,601)	(120,302)
Net book value	369,378	121,139	45,178	535,695
Half year ended 30 June 2021				
Opening net book value	369,378	121,139	45,178	535,695
Transfer from investment property	40,390	-	-	40,390
Additions	1,548	2,085	4,885	8,518
Disposals/Write-off	-	(220)	(147)	(367)
Exchange differences	633	1,462	200	2,295
Depreciation	(4,440)	(8,545)	(7,599)	(20,584)
Closing net book value	407,509	115,921	42,517	565,947
At 30 June 2021				
Cost	461,998	146,576	96,698	705,272
Accumulated amortisation and impairment	(54,489)	(30,655)	(54,181)	(139,325)
Net book value	407,509	115,921	42,517	565,947

During the half year ended 30 June 2021, there was a transfer of $40.4 million from investment property as it was decided that certain units in the investment property were redesignated for own use.

As at 30 June 2021, the future lease payments for non-cancellable lease contract are $2.0 million within 2 to 5 years, and $8.3 million thereafter.

11 Investment properties

	Group	
	30 Jun 2021 $'000	**31 Dec 2020 $'000**
At beginning of period	296,759	305,528
Net loss from fair value adjustments recognised in profit or loss	(3,000)	(11,043)
Additions (subsequent expenditure)	469	911
Transfer to property, plant and equipment	(40,390)	-
Transfer to Assets held for sale	(23,500)	-
Exchange differences	(172)	1,363
At end of period	230,166	296,759

During the half year ended 30 June 2021, the Company's subsidiary, CES Capital Holdings Pte. Ltd., has entered into separate agreements to sell its shophouses in Geylang and Tanjong Pagar for $13.5 million and $10.7 million respectively. The disposal for the property at Geylang is completed in July 2021 and the other property is expected to be completed by year end. Accordingly, these investment properties were reclassified to 'Assets held for sale'.

12 Development properties

	Group	
	30 Jun 2021 $'000	**31 Dec 2020 $'000**
Properties under development, units for which revenue is recognised over time		
Land and land related cost	663,146	879,770
Development costs	77,337	103,444
	740,483	983,214
Properties under development, units for which revenue is recognised at a point in time		
Land and land related cost	37,604	90,929
Development costs	10,417	20,038
	48,021	110,967
Total	788,504	1,094,181

13 Borrowings

	As at 30 Jun 2021 $'000	As at 31 Dec 2020 $'000
Amount repayable in one year or less, or on demand		
- Secured	361,450	180,602
- Unsecured	134,566	17,006
Amount repayable after one year		
- Secured	1,008,657	1,444,629
- Unsecured	27,959	155,493
	1,532,632	1,797,730

Details of any collateral

The Group's total borrowings of $1.5 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) $25.3 million 5-year fixed rate notes issued on 19 May 2017. The notes bear interest at the rate of 4.90 per cent. per annum payable semi-annually in arrear and will be due in May 2022.

(b) $100.0 million 3-year fixed rate notes issued on 15 March 2019. The notes bear interest at the rate of 6.0 per cent. per annum payable semi-annually in arrear and will be due in March 2022.

During the half year ended 30 June 2021, the Company redeemed $13.0 million of the notes upon its maturity on 14 June 2021.

14 Subsequent events

1. On 1 July 2021, the Company's wholly-owned subsidiary, CES Grosvenor (SA) Pty Ltd had completed its acquisition of a commercial property located at 80-82 Hindley Street in Adelaide, Australia at a purchase price of A$2.5 million.
2. On 7 July 2021, the Company's wholly-owned subsidiary, CES Edutech Pte. Ltd. had entered into a sale and purchase agreement to sell its entire share held in Cybint International Pte. Ltd. to a third party at a sales consideration of US$8.2 million. The completion of the disposal is expected in August 2021.
3. On 21 July 2021, the Company's wholly-owned subsidiary, CES Capital Holdings Pte. Ltd. had completed its disposal of the property located at 115 Geylang Road, Singapore 389218 at a sales consideration of $13.5 million.
4. On 28 July 2021, the Company announced that the Group's investment in Guangzhou Yuanda Information Development Co., Ltd will likely be affected by the recently announced regulatory measures in the People's Republic of China targeting the tuition industry. However, as the new measures are currently couched in general terms, the Group is not able to assess the full impact of these measures at the point in time.

F Other Information Required by Listing Rule Appendix 7.2

Other information

1 Review

The condensed consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2021 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 period then 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.

The changes in the Company's issued share capital (excluding treasury shares) for the financial period ended 30 June 2021 were as follows:

	'000
Balance as at 1 January 2021	782,925
Treasury shares reissued pursuant to Chip Eng Seng Performance Share Plan	500
Balance as at 30 June 2021	783,425

As at 30 June 2021, the number of outstanding share options under the Company's Employee Share Option Scheme was 40,000,000 (31 December 2020: 50,000,000).

(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 40,593,900 (31 December 2020: 41,093,900) shares as at 30 June 2021 was 783,424,776 (31 December 2020: 782,924,776) 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

During the current financial period, 500,000 treasury shares were reissued upon vesting of shares granted pursuant to the Chip Eng Seng Performance Share Plan.

(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 : 1H2021 vs 1H2020

Overall

Gross revenue increased by 114.6% from $290.0 million to $622.4 million. The sharp rebound was largely due to the low base in 1H2020 when most of construction progress ceased during the Circuit Breaker period from 7 April 2020. In tandem with higher revenue, gross profit increased by 128.3% from $34.4 million to $78.4 million. Other income was lower due to lower unrealised exchange gain and government grants to mitigate COVID-19 pandemic. While marketing and finance costs were lower, administrative expenses and share of losses from joint ventures were higher due mainly to fair value losses on investment properties and share of losses from Cybint International Group which was acquired in September 2020. Overall, the Group recorded a profit before tax of $10.9 million and profit after tax of $9.2 million, reversing from a loss before tax of $25.2 million and loss after tax of $25.7 million in 1H2020 respectively.

Property Development

Revenue increased by 112.4% from $197.3 million to $419.1 million mainly attributable to sale of development site at Gladstone Street, South Melbourne and higher contributions from Park Colonial and Kopar at Newton, partially offset by lower progressive revenue recognition from the fully sold and completed Grandeur Park Residences.

Construction

Revenue increased by 182.2% from $58.3 million to $164.6 million. The increase was mainly attributable to CAG, PUB C4A, Tampines N8C31 and Sengkang N4C39 & C40 and new revenue contribution from projects under CES_Salcon, which was acquired in December 2020.

Hospitality

Revenue decreased by 5.9% from $20.0 million to $18.8 million mainly due to lower contribution from Park Hotel Alexandra, partially offset by higher contributions from the other hotels.

Education

Revenue increased by 50.7% from $11.5 million to $17.3 million mainly due to higher contributions from the Invictus-brand international schools and Primus Schoolhouse.

Property Investment & Others

Revenue decreased by 10.4% from $2.9 million to $2.6 million mainly due to lower occupancy in CES Centre.

Group Statement of Financial Position Review

The Group's non-current assets decreased from $960.3 million to $936.1 million mainly due to reclassification of the shophouses in Geylang and Tanjong Pagar from 'Investment Properties' to 'Assets held for sale' as these properties are expected to be disposed before year end. Net current assets decreased by $554.2 million from $1.75 billion to $1.20 billion mainly due to receipts from purchasers of Grandeur Park Residences and lower development properties with progressive recognition of development costs in cost of sales in respect of units sold for Park Colonial. Non-current liabilities decreased from $1.89 billion to $1.32 billion due mainly to repayment of bank borrowings for Grandeur Park Residences and Park Colonial and reclassification of borrowings and $125.3 million term notes from non-current to current liabilities.

Total equity decreased from $817.3 million to $814.8 million, after taking into account a net profit of $9.2 million recorded in 1H2021 and capital contribution from non-controlling interest of $4.4 million, partially offset by dividend payment to shareholders of $15.7 million. With lower equity and lower borrowings, the Group's net-debt-to-equity ratio decreased from 1.74 as at 31 December 2020 to 1.39 as at 30 June 2021.

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 prices of private residential properties increased by 0.8% in 2Q2021, moderating from a stronger 3.3% increase in the previous quarter. As at the end of 2Q2021, there were 47,097 uncompleted private residential units (excluding ECs) in the pipeline with planning approvals, as compared with 48,139 units in the previous quarter. Of this number, 19,384 units remained unsold as at the end of 2Q2021, down from 21,602 units in the previous quarter.

Compared to the sales figures as at 14 March 2021, sales to-date based on options to purchase issued for Parc Komo climbed further from 51.4% to 67.0% and for Kopar at Newton, from 47.9% to 51.9%. Park Colonial is fully sold.

Australia

Data from the property consultant CoreLogic indicate that home prices rose 1.9% in June 2021, taking annual growth to 13.5% for the 12 months ended 30 June 2021. Notably, this is the highest annual rate of growth since April 2004.

The Group will remain cautious and committed in replenishing its land bank for its property development business in Singapore and overseas.

Construction

Based on advance estimates from the Ministry of Trade and Industry, the construction sector expanded by 98.8% on a year-on-year basis in 2Q2021, a turnaround from the 23.1% contraction in the preceding quarter. The sharp upturn was due to low base effects as the Circuit Breaker measures had resulted in a stoppage of most construction activities in the second quarter of last year. As at 30 June 2021, the Group's order book for its construction business segment stood at $1.40 billion, up from $1.31 billion as at 31 December 2021.

As the construction sector sees its recovery from the low base last year, the Group remains cautiously optimistic of its prospects. The Group will continue to leverage on its expanded capabilities in building, infrastructure, construction and project management, when bidding for public sector projects.

Hospitality

With international border restrictions still largely in place in Singapore and Australia, the domestic markets remain the key driver for their hospitality demand. On the other hand, the Maldives reopened its borders from 15 July 2020 and recorded a 33% year-on-year increase in international tourist arrivals in 1H2021.

Whilst the road to recovery for hospitality industry remains uncertain amid the global roll-out of vaccine and resurgence of new variants, the Group will focus on cost containment to mitigate the adverse impact from the curtailed international travel.

Education

The COVID-19 pandemic measures in Singapore and the region continue to impact the number of international families' relocation and international students obtaining study visas. These factors have led to a slower rate of enrolment growth in our various K-12 schools. Notwithstanding this, the schools have registered small increases in enrolments.

The two Invictus schools in Singapore have obtained EduTrust certification. With EduTrust, Invictus Singapore will be able to accept student pass holders as an additional source of enrolment growth when our border reopens.

The education group will continue to leverage our K-12 school brands and the digitalisation of education as the primary vehicle for growth in the region. We are strengthening blended learning, developing effective systems and applications to enhance the delivery of digital learning and increasing productivity to ride out any disruptions from future pandemics.

The planned regulatory tightening of the tuition industry in China will affect our investment in Yuanda Guangzhou (with carrying amount of S$11.7 million as of 30 June 2021), which has significant revenue from tuition. The Group is not able to assess the full impact of these measures at this point in time. When there is clarity on the actual impact, the Group will, if required, make the appropriate impairment for its investments in the later part of the year.

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

No dividend has been declared/recommended for the period ended 30 June 2021 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 2021 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 2021