



CHIP ENG SENG CORPORATION LTD.
Co. Reg. No. 199805196H

PROFIT GUIDANCE FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2022

The Board of Directors of Chip Eng Seng Corporation Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that following a preliminary review of the unaudited consolidated financial results of the Group for the second half-year ended 31 December 2022 (“**2H2022**”), the Group expects to report a net loss after non-controlling interests for 2H2022.

Based on information available to the Company following the close of the Group’s accounts around end January till early February, the expected net loss for 2H2022 is mainly attributable to the following:

- (i) higher than expected foreign exchange losses. Such foreign exchange losses were apparent only on close of the Group’s accounts; and
- (ii) higher than expected provisions to be made in respect of certain of the Group’s construction projects. The amount of provisions to be made could only be meaningfully assessed upon close of the Group’s accounts.

Compared to the net loss after non-controlling interests of approximately S\$31.6 million incurred by the Group for the second half-year ended 31 December 2021, the net loss after non-controlling interests incurred for 2H2022 will be smaller.

Notwithstanding the above, the Company expects to report an overall net profit in respect of the Group for the full-year ended 31 December 2022 (“**FY2022**”). The businesses and operations of the Group continue to face uncertainties and challenges resulting from unprecedented global macro-economic headwinds, foreign exchange rate volatility, rising interest rates and an inflationary environment, exacerbated by the disruptions in the global supply chain for construction materials and manpower.

The Company is in the process of finalising its unaudited consolidated results for 2H2022 and FY2022. The Company will provide further details of the Group’s financial performance when it releases its unaudited consolidated financial results for 2H2022 and FY2022 in the second half of February 2023.

In the meantime, shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stock broker, bank managers, solicitors, accountants or other professional advisers.

Submitted by Chia Lee Meng Raymond, Executive Director and Group Chief Executive Officer, on 8 February 2023 to the SGX.