



Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2014

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Note	Group			Group		
		3Q 2014 \$'000	3Q 2013 \$'000	+ /(-) %	9M 2014 \$'000	9M 2013 \$'000	+ /(-) %
Revenue							
- Construction		100,149	67,642	48.1	256,907	200,003	28.5
- Property developments		313,846	21,764	1,342.0	475,804	127,444	273.3
- Property investments & Others		1,698	449	278.2	4,415	1,857	137.7
		<u>415,693</u>	<u>89,855</u>	<u>362.6</u>	<u>737,126</u>	<u>329,304</u>	<u>123.8</u>
Cost of sales		(322,378)	(77,121)	318.0	(585,182)	(277,362)	111.0
Gross profit		<u>93,315</u>	<u>12,734</u>	<u>632.8</u>	<u>151,944</u>	<u>51,942</u>	<u>192.5</u>
Other items of income							
Interest income	1	128	564	(77.3)	586	1,838	(68.1)
Other income	2	564	633	(10.9)	1,222	1,772	(31.0)
Other items of expense							
Marketing and distribution	3	(1,549)	(4,955)	(68.7)	(5,066)	(14,272)	(64.5)
Administrative expenses	4	(14,839)	(7,459)	98.9	(31,462)	(24,293)	29.5
Finance costs	5	(866)	(526)	64.6	(2,421)	(1,502)	61.2
Share of results of associates	6	7,879	27,919	(71.8)	16,712	29,296	(43.0)
Profit before tax		<u>84,632</u>	<u>28,910</u>	<u>192.7</u>	<u>131,515</u>	<u>44,781</u>	<u>193.7</u>
Income tax expense		(11,717)	(1,667)	602.9	(18,369)	(6,041)	204.1
Profit after tax		<u>72,915</u>	<u>27,243</u>	<u>167.6</u>	<u>113,146</u>	<u>38,740</u>	<u>192.1</u>
Profit attributable to:							
Owners of the company		72,915	27,243	167.6	113,146	38,740	192.1
Non-controlling interests		-	-		-	-	
		<u>72,915</u>	<u>27,243</u>	<u>167.6</u>	<u>113,146</u>	<u>38,740</u>	<u>192.1</u>

Note:-

NM - Not meaningful.

1(a)(ii) Items, which if significant, must be included in the income statement

	Group			Group		
	3Q 2014 \$'000	3Q 2013 \$'000	+ /(-) %	9M 2014 \$'000	9M 2013 \$'000	+ /(-) %
Other income						
Dividend income from investment securities	135	14	NM	135	161	(16.1)
Net gain on disposal of property, plant and equipment	25	103	(75.7)	26	191	(86.4)
Net gain on disposal of investment securities	-	115	NM	-	115	NM
Net fair value gain on investment securities	-	-	NM	29	93	(68.8)
Deposits forfeited from buyers	44	-	NM	44	147	(70.1)
Gain from bargain purchase arising from acquisition of subsidiary	-	180	NM	-	180	NM
Government grants	94	108	(13.0)	370	543	(31.9)
Others	266	113	135.4	618	342	80.7
	<u>564</u>	<u>633</u>		<u>1,222</u>	<u>1,772</u>	

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

Depreciation of property, plant and equipment	(934)	(861)	8.5	(2,746)	(2,609)	5.3
Amortisation of intangible assets	(9)	(10)	(10.0)	(30)	(30)	-
Employee benefits expenses	(21,975)	(15,871)	38.5	(56,462)	(45,254)	24.8
Operating lease expenses	(157)	(157)	-	(471)	(463)	1.7
Net fair value loss on investment securities	-	(67)	NM	-	-	NM
Unrealised foreign exchange loss	(1,416)	(121)	NM	(1,416)	(1,317)	7.5
Reversal of/(impairment loss) on trade receivables	-	209	NM	-	209	NM

1(a)(ii) Items, which if significant, must be included in the income statement (Cont'd)

Notes to Group Income Statement

- 1 Interest income related mainly to interest charged for loans to associates and interest earned on current and deposit accounts. Lower interest income in 3Q2014 was due to declining idle funds that earned interest income as the Group deployed the funds to property developments and investments.
- 2 The decrease in other income in 3Q2014 was mainly due to absence of gain on disposal of investment securities and gain from bargain purchase arising from acquisition of subsidiary which were recorded in the corresponding quarter last year and lower gain on disposal of property, plant and equipment. The decrease is partly offset by increase in dividend income from investment securities for 3Q2014.
- 3 Marketing and distribution expenses in 3Q2014 mainly came from the marketing expenses incurred for a mixed development project known as Nine Residences (residential) and Junction Nine (commercial). Higher marketing and distribution expenses in 3Q2013 was due to marketing expenses incurred for development projects in Singapore (100 Pasir Panjang, Fulcrum, My Manhattan and Nine Residences and Junction Nine) and in Australia (Tower Melbourne).
- 4 The increase in administrative expenses was due to wage increase, unrealised foreign exchange losses and incentives.
- 5 Finance cost was higher for 3Q2014 as a result of more loans drawn down to cater for working capital requirement and property investment.
- 6 The share of profit from associates for the current period was due to subsequent profit recognised from a joint venture residential development project known as Belysa, which obtained its Temporary Occupation Permit ("TOP") in May 2014.

1(a)(iii) Statement of Comprehensive Income

	Note	Group		+ / (-) %	Group		+ / (-) %
		3Q 2014 \$'000	3Q 2013 \$'000		9M 2014 \$'000	9M 2013 \$'000	
Profit after tax		72,915	27,243	167.6	113,146	38,740	192.1
Other comprehensive income:							
<i>Items that will not be reclassified to profit or loss</i>							
Net surplus on revaluation of freehold land and building		-	-	NM	(367)	-	NM
Share of gain on property revaluation of associates		-	-	NM	1,190	737	61.5
Income tax relating to components of other comprehensive income		(2)	-	NM	354	-	NM
		(2)	-		1,177	737	
<i>Items that may be reclassified subsequently to profit or loss</i>							
Net gain on fair value changes of available-for-sale financial assets		141	(304)	(146.4)	396	229	72.9
Foreign currency translation (loss)/gain	1	(6,276)	892	(803.6)	(1,329)	(7,328)	(81.9)
		(6,135)	588		(933)	(7,099)	
Other comprehensive income for the quarter/period, net of tax		(6,137)	588	NM	244	(6,362)	(103.8)
Total comprehensive income for the quarter/period		66,778	27,831	139.9	113,390	32,378	250.2
Total comprehensive income attributable to:							
Owners of the company		66,778	27,831	139.9	113,390	32,378	250.2
Non-controlling interests		-	-		-	-	
		66,778	27,831	139.9	113,390	32,378	250.2

Notes to Statement of Comprehensive Income

- 1 Foreign currency translation arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The translation loss for the period was due to the weakening of the Australian dollar against the Singapore dollar.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Note	The Group		Note	The Company	
		30 Sep 2014 \$'000	31 Dec 2013 \$'000		30 Sep 2014 \$'000	31 Dec 2013 \$'000
		(Restated)				
Non-current assets						
Property, plant and equipment	1	191,837	161,919		1,089	954
Investment properties	2	243,853	175,714		-	-
Intangible assets		318	297		276	205
Investment in subsidiaries		-	-		48,302	48,302
Investment in associates		21,721	28,370		650	650
Other receivables		10,616	11,191	9	110,421	124,252
Investment securities		2,510	2,030		2,482	2,018
		470,855	379,521		163,220	176,381
Current assets						
Gross amount due from customers for contract work-in-progress		5,411	11,224		-	-
Development properties	3	531,509	925,555		-	-
Prepayments and deposits	4	138,738	8,780		108	129
Trade and other receivables	5	238,678	129,449		16,724	11,810
Cash and short-term deposits		183,908	284,222		703	8,034
		1,098,244	1,359,230		17,535	19,973
Total assets		1,569,099	1,738,751		180,755	196,354
Deduct: Current liabilities						
Loans and borrowings	6	127,400	281,000		-	-
Gross amount due to customers for contract work-in-progress		29,891	28,225		-	-
Provisions		166	1,416		-	-
Trade and other payables	7	237,789	367,778		189	136
Other liabilities		37,430	31,438		8,643	12,851
Income tax payable	8	33,711	12,875		288	43
		466,387	722,732		9,120	13,030
Net current assets		631,857	636,498		8,415	6,943
Deduct: Non-current liabilities						
Loans and borrowings	6	455,861	487,523		-	-
Provisions		1,683	1,572		-	-
Trade and other payables	7	68,137	13,595	10	25,928	-
Deferred tax liabilities	8	4,402	14,521		5	5
		530,083	517,211		25,933	5
Net assets		572,629	498,808		145,702	183,319
Equity attributable to owners of the Company						
Share capital		79,691	79,691		79,691	79,691
Treasury shares		(25,894)	(12,006)		(25,894)	(12,006)
Retained earnings		529,658	442,193		91,772	115,897
Other reserves		(10,826)	(11,070)		133	(263)
		572,629	498,808		145,702	183,319

Notes to Statement of Financial Position

Note

The Group

- The increase in property, plant and equipment was due to the construction and other costs incurred for our hotel at Alexandra Road.
- The increase in investment properties was due to acquisition of the office building at 420 St Kilda Road, Melbourne in Australia and cost incurred for the addition and alteration ("A&A") works to the office building, CES Centre, along Chin Swee Road.
- The decrease in development properties was mainly due to completion of three development projects; namely My Manhattan, 100 Pasir Panjang and Belvia. The decrease was partly offset by the additional development costs incurred for development projects such as Fulcrum, Alexandra Central and a mixed residential and commercial development known as Nine Residences and Junction Nine.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year (Cont'd)

Notes to Statement of Financial Position (Cont'd)

- 4 The prepayments and deposits for the current period mainly related to the deposit paid for the land purchase at Fernvale Road in Singapore.
- 5 The increase in trade and other receivables for the Group was mainly due to the progress billings receivable for three completed development projects (100 Pasir Panjang, My Manhattan and Belvia) following the receipts of TOP of these projects.
- 6 The decrease in loans and borrowings was mainly due to repayment of bank loans following the receipts of TOP of three completed development projects and of certain on-going projects. The decrease was partly offset by loans drawn down for working capital, purchase of 420 St Kilda Road, Melbourne and property development project at Fernvale Road.
- 7 The decrease in trade and other payables was mainly due to progressing billings received from buyers of the three completed development projects (100 Pasir Panjang, My Manhattan and Belvia) being recognised upon completion. This was partly offset by funding from a minority shareholder for a joint venture development project at Fernvale Road in Singapore.
- 8 The increase in income tax payable was mainly due to tax provision for the current period and transfer of deferred tax following the completion of three development projects in 100 Pasir Panjang, My Manhattan and Belvia, partly offset by payment of tax in the current period.

The Company

- 9 The decrease in other receivables was due to repayment of advances from subsidiaries.
- 10 The increase in trade and other payables for the Company was mainly due to the advances from subsidiary companies.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	As at 30 Sep 2014 \$'000	As at 31 Dec 2013 \$'000
Amount repayable in one year or less, or on demand		
- Secured	127,400	281,000
- Unsecured	-	-
Amount repayable after one year		
- Secured	455,861	487,523
- Unsecured	-	-

Details of any collateral

The Group's borrowings of \$583.3 million are loans taken to finance property development projects and investment properties, the purchase of a leasehold land for hotel and commercial development and for working capital.

The Group's borrowings are mainly secured by :

- (a) legal mortgage on the development properties and the hotel and commercial development project;
- (b) subordination of shareholder's loan to the property development companies;
- (c) assignment of sale proceeds of the development properties;
- (d) assignment of all rights, title, interest and benefits under contracts in respect of the development properties;
- (e) assignment of construction contracts, performance bonds and fire insurance policy on the development property;
- (f) assignment of tenancy and sale agreements of the investment properties;
- (g) fixed and floating charge of the hotel and commercial development project; and
- (h) corporate guarantee from the Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	3Q 2014 \$'000	3Q 2013 \$'000	9M 2014 \$'000	9M 2013 \$'000
Cash flows from operating activities				
Operating profit before taxation	84,632	28,910	131,515	44,781
Adjustments for:				
Depreciation and amortisation	943	871	2,776	2,639
Interest income	(128)	(564)	(586)	(1,838)
Dividend income from investment securities	(135)	(14)	(135)	(161)
Interest expense	866	526	2,421	1,502
Net gain on disposal of property, plant and equipment	(25)	(103)	(26)	(191)
Foreign currency translation adjustment	(6,979)	1,026	(2,118)	(7,062)
Net fair value gain on investment securities	-	67	(29)	(93)
Share of results of associates	(7,879)	(27,919)	(16,712)	(29,296)
Net loss on disposal of investment securities	-	(115)	2	(115)
(Reversal of)/impairment loss on trade receivables	-	(209)	-	(209)
(Gain from bargain purchase)/Goodwill on acquisition written off	-	(180)	-	(180)
Operating profit before reinvestment of working capital	71,295	2,296	117,108	9,777
Decrease/(increase) in development properties	220,462	24,621	394,046	(175,498)
(Increase)/decrease in trade and other receivables	(82,003)	(6,975)	(149,884)	8,631
(Increase)/decrease in prepayments and deposits	(136,444)	14,406	(129,958)	145
(Decrease)/increase in gross amount due to customers for contract work-in-progress, net	(10,295)	(5,034)	6,340	12,866
(Decrease)/increase in trade and other payables	(73,995)	(8,693)	(75,241)	1,737
Increase/(decrease) in other liabilities	10,854	2,151	5,992	(29,645)
Cash generated (used in)/from operations	(126)	22,772	168,403	(171,987)
Interest paid	(869)	(363)	(2,627)	(1,353)
Interest received	800	370	3,123	1,267
Income tax paid	(804)	(18,249)	(7,300)	(31,189)
Net cash (used in)/generated from operating activities	(999)	4,530	161,599	(203,262)
Cash flows from investing activities:				
Purchase of property, plant and equipment	(12,625)	(5,655)	(32,962)	(12,566)
Proceeds from disposal of property, plant and equipment	25	103	28	204
Net cash inflow on acquisition of subsidiary	-	5,840	-	5,840
Proceeds from disposal of investment securities	-	566	11	566
Dividend income	17,215	6,013	25,215	6,217
Repayment of advances from/(advances to) associates, net	12,429	153	38,165	(738)
Purchase of investment securities	(68)	-	(68)	-
Additions to intangible assets	(51)	-	(51)	(59)
Additions to investment properties	(3,723)	(117,047)	(68,139)	(117,047)
Net cash generated from/(used in) investing activities	13,202	(110,027)	(37,801)	(117,583)
Cash flows from financing activities:				
Repayment of loans and borrowings	(71,000)	(5,000)	(328,000)	(17,000)
Proceeds from loans and borrowings	56,583	117,298	143,457	347,773
Dividends paid	-	-	(25,681)	(25,933)
Share buyback	(6,544)	-	(13,888)	-
Net cash (used in)/generated from financing activities	(20,961)	112,298	(224,112)	304,840
Net (decrease)/increase in cash and cash equivalents	(8,758)	6,801	(100,314)	(16,005)
Cash and cash equivalents at beginning of the period	192,666	219,244	284,222	242,050
Cash and cash equivalents at end of the period	183,908	226,045	183,908	226,045
Cash and cash equivalents comprise:				
Short term deposits	25,131	35,644	25,131	35,644
Cash and bank balances	158,777	190,401	158,777	190,401
	183,908	226,045	183,908	226,045

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)**

Statement of Cash Flow review

Net cash (used in)/generated from operating activities

Net cash used in operating activities for 3Q2014 as compared to a net cash generated from operating activities for 3Q2013 was primarily due to deposit for land purchase at Fernvale Road in Singapore.

Net cash used generated from operating activities for 9M2014 as compared to a net cash used in operating activities for 9M2013 was mainly due to completion of three development projects, namely My Manhattan, 100 Pasir Panjang and Belvia and progress claims from buyers of these three completed development projects as against to the purchase of land at Yishun Avenue 9 for property development in the 9M2013.

Net cash generated from/(used in) investing activities

Net cash generated from investing activities for 3Q2014 as compared to net cash used in investing activities for 3Q2013 was mainly due to repayment of advances from associates and dividend received from associates. This was partly offset by the purchase of property, plant and equipment and increase in investment property in 3Q2014.

The decrease in net cash used in investing activities for 9M2014 was due to the absence of acquisition of an office building, known as CES Centre. The purchase of property, plant and equipment and additions to investment properties in 9M2014 relate mainly to construction and other costs incurred for our hotel under construction and addition and alteration works of CES Centre (along Chin Swee Road). This was partly offset by the repayment of advances from associates and dividend income from associates.

Net cash (used in)/generated from financing activities

Net cash used in financing activities for 3Q2014 was due to repayment of loans and borrowings for completed development projects and certain on-going projects, payment for share buybacks, after offsetting loan drawn down for working capital.

Net cash used in financing activities for 9M2014 was due to repayment of loans and borrowings and share buybacks, after offsetting loan drawn down for the purchase of the office building at 420 St Kilda Road, Melbourne.

1(d)(i) **A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	Attributable to owners of the Company									
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Capital reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total equity \$'000
At 1 January 2014	79,691	(12,006)	(533)	674	270	2,750	(14,231)	442,193	431,123	498,808
Total comprehensive income for the period	-	-	-	-	255	1,179	4,947	40,231	46,612	46,612
Dividends paid	-	-	-	-	-	-	-	(25,681)	(25,681)	(25,681)
Share buyback	-	(7,344)	-	-	-	-	-	-	-	(7,344)
At 30 June 2014	79,691	(19,350)	(533)	674	525	3,929	(9,284)	456,743	452,054	512,395
Total comprehensive income for the period	-	-	-	-	141	(2)	(6,276)	72,915	66,778	66,778
Share buyback	-	(6,544)	-	-	-	-	-	-	-	(6,544)
At 30 September 2014	79,691	(25,894)	(533)	674	666	3,927	(15,560)	529,658	518,832	572,629

Group	Attributable to owners of the Company									
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Capital reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total equity \$'000
At 1 January 2013	79,691	(10,922)	(533)	674	(4,038)	363	(3,540)	398,790	391,716	460,485
Reclassification	-	-	-	-	4,038	-	-	-	4,038	4,038
Total comprehensive income for the period	-	-	-	-	533	737	(8,220)	11,497	4,547	4,547
Dividends paid	-	-	-	-	-	-	-	(25,933)	(25,933)	(25,933)
At 30 June 2013	79,691	(10,922)	(533)	674	533	1,100	(11,760)	384,354	374,368	443,137
Total comprehensive income for the period	-	-	-	-	(304)	-	892	27,243	27,831	27,831
At 30 September 2013	79,691	(10,922)	(533)	674	229	1,100	(10,868)	411,597	402,199	470,968

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Fair value adjustment reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2014	79,691	(12,006)	(533)	270	115,897	183,319
Total comprehensive income for the period	-	-	-	255	676	931
Dividends paid	-	-	-	-	(25,681)	(25,681)
Share buyback	-	(7,344)	-	-	-	(7,344)
At 30 June 2014	79,691	(19,350)	(533)	525	90,892	151,225
Total comprehensive income for the period	-	-	-	141	880	1,021
Share buyback	-	(6,544)	-	-	-	(6,544)
At 30 September 2014	79,691	(25,894)	(533)	666	91,772	145,702

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Fair value adjustment reserve \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2013	79,691	(10,922)	(533)	(4,038)	53,998	118,196
Total comprehensive income for the period	-	-	-	533	314	847
Dividends paid	-	-	-	-	(25,933)	(25,933)
At 30 June 2013	79,691	(10,922)	(533)	(3,505)	28,379	93,110
Total comprehensive income for the period	-	-	-	(304)	(36)	(340)
At 30 September 2013	79,691	(10,922)	(533)	(3,809)	28,343	92,770

1(d)(ii) 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 the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

As at 30 September 2014, the Company held 37,946,000 ordinary shares as treasury shares (30 September 2013 : 19,188,000 ordinary shares). The total number of issued shares of the Company excluding treasury shares as at 30 September 2014 and 30 September 2013 were 629,569,161 and 648,327,161 shares respectively.

There are no outstanding performance shares granted conditionally under the "Chip Eng Seng Performance Share Plan" as at 30 September 2014 and 30 September 2013.

1(d)(iii) 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 37,946,000 (31 December 2013 : 20,698,000) shares as at 30 September 2014 and 31 December 2013 were 629,569,161 and 646,817,161 shares respectively.

1(d)(iv) 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

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matters)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2013, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2014.

The adoption of those new and revised FRSs has no material effect on the current financial statements for the current period.

Some of the comparatives have been reclassified to better reflect the nature of balances. The effects on the reclassification are as follows:

Group Profit and Loss Account

No financial impact on the results for 3Q2013 and 9M2013.

Group Statement of Financial Position

	31 Dec 2013 \$'000	31 Dec 2013 \$'000 (Restated)	Increase/(decrease)
Current assets and liabilities			
Completed properties held for sale	328	-	(328)
Development properties	651,436	925,555	274,119
Provision	2,988	1,416	(1,572)
Trade and other payables	107,582	367,778	260,196
	<u> </u>	<u> </u>	
Non-current liabilities			
Provision	-	1,572	1,572
Trade and other payables	-	13,595	13,595
	<u> </u>	<u> </u>	

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Please refer to paragraph 4 above.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	3Q 2014	3Q 2013	9M 2014	9M 2013
Earnings per ordinary share for the period :-				
(i) Based on weighted average number of ordinary shares in issue (in cents)	11.40	4.20	17.69	5.98
(ii) On a fully diluted basis (in cents)	11.40	4.20	17.69	5.98

Notes:

- (i) The computation of basic earnings per share was based on the weighted average of 639,655,104 ordinary shares (30 September 2013 : 648,327,161 ordinary shares).
- (ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 639,655,104 ordinary shares (30 September 2013 : 648,327,161 ordinary shares).

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	90.96	77.12	23.14	28.34

The computation of net asset value per ordinary share was based on 629,569,161 ordinary shares (excluding Treasury shares of 37,946,000) (31 December 2013 : 646,817,161 ordinary shares excluding Treasury shares of 20,698,000).

- 8 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**

3Q2014 vs 3Q2013

Overall

The Group's total revenue increased by 362.6% to \$415.7 million in 3Q2014, compared to \$89.9 million in 3Q2013, due to stronger contributions from the Property Development division.

Correspondingly gross profit rose by 632.8% to \$93.3 million in 3Q2014 compared to \$12.7 million in 3Q2013.

As a result of higher revenue, the Group achieved a higher pre-tax profit of \$84.6 million in 3Q2014, against \$28.9 million in 3Q2013.

Construction

Revenue increased 48.1% to \$100.1 million in 3Q2014 from \$67.6 million in the corresponding period last year. Revenue contribution stemmed from both new and on-going projects, with more progress claims from Tampines N4C27, Jurong West N6C31, Yishun N5C2, Bukit Batok N1C13 & N2C23 and Bukit Panjang N4C15. In addition, precast projects also posted strong growth during the period. However, the increase was partly offset by lower progress claims from completed projects, Hougang N4C17 and Belysa.

Property Developments

Revenue increased from \$21.8 million in 3Q2013 to \$313.8 million in 3Q2014, mainly due to the completion of development project, Belvia, which obtained TOP in August 2014. Other factors contributing to the increase include the progressive recognition of revenue and profit from on-going development projects such as Junction Nine and Nine Residences, as well as the sale of remaining units of some completed projects. In 3Q2013, revenue was derived mainly from the progressive recognition of revenue and profit from completed project, My Manhattan, which obtained TOP in March 2014.

Share of profit from associates of \$7.9 million in 3Q2014 was largely due to the remaining profit recognised from a joint venture development project known as Belysa, which obtained TOP in May 2014.

Property Investments & Others

Revenue rose 278.2% to \$1.7 million in 3Q2014, against \$0.4 million in 3Q2013 due to rental income from the recently-acquired office building at 420 St Kilda Road in Melbourne.

9M2014 vs 9M2013

Overall

The Group's total revenue increased by 123.8% to \$737.1 million in 9M2014, from \$329.3 million in 9M2013, as higher revenue was recognised from the Property Development division.

In line with revenue growth, gross profit and pre-tax profit also increased by 192.5% to \$151.9 million and 193.7% to \$131.5 million respectively.

Construction

Revenue rose by 28.5% to \$256.9 million in 9M2014 compared to \$200.0 million in 9M2013. The increase was primarily due to several on-going projects which are at their active stage of construction.

Property Developments

Revenue increased to \$475.8 million in 9M2014 compared to \$127.4 million in 9M2013 on the back of higher revenue recognised from a completed commercial project known as 100 Pasir Panjang (TOP obtained in March 2014) and completed residential project, Belvia (TOP obtained in August 2014). The revenue recognition for these two projects was based on the contract-completion method. Revenue was further boosted by the progressive revenue recognition of Junction Nine and Nine Residences in the current period. In 9M2013, revenue was primarily contributed by the progressive recognition of a development project known as My Manhattan.

Share of profit from associates in 9M2014 was derived mainly from the profit recognition of a residential project, Belysa which obtained TOP in May 2014 and to a lesser extent, two joint venture projects completed prior to 2014.

Property Investments & Others

Underpinned by rental income from 420 St Kilda Road, Melbourne, revenue from Property Investments increased by 137.7% to \$4.4 million in 9M2014, compared to \$1.9 million in 9M2013.

- 8 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 (Cont'd)**

Group Statement of Financial Position Review

The Group's net current assets decreased by \$4.6 million to \$631.8 million, mainly due to the repayment of loans and borrowings and purchase of an investment property. As a result, the Group's net debt/equity ratio declined from 0.97 as at 31 December 2013 to 0.70 as at 30 September 2014.

Non-current liabilities increased by \$12.9 million to \$530.1 million as at 30 September 2014 due to funding from a minority shareholder for a joint venture development project at Fernvale Road in Singapore. This was partly offset by the realisation of deferred tax liabilities and repayment of loans and borrowings.

Shareholders' equity increased from \$498.8 million as at 31 December 2013 to \$572.6 million as at 30 September 2014. The increase of \$73.8 million was the result of the \$113.1 million in profit contribution for the current year which was offset by the dividend payment of \$25.7 million, translation loss of \$1.3 million and the share buyback amounting to \$13.9 million.

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

No prospects statements for 3Q2014 was previously provided.

- 10 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 Developments

The private residential property market is expected to remain sluggish with declining prices and rising number of unsold units by developers. To manage its exposure to the soft property market, the Group will continue to exercise prudence in tendering for land in Singapore.

In August 2014, the Group, in partnership with two listed developers, acquired two land parcels at Fernvale Road. Currently, preparation work is underway to launch the project for sale in 2015.

The Group's retail project along Alexandra Road known as Alexandra Central is expected to obtain TOP in 4Q2014. Revenue and profit of this development project will be recognised upon completion.

The recent announcement of the new Thomson-East Coast MRT Line ("TEL") has boosted the sales of development projects in the East Coast area. This will benefit the Group's project at Fort Road (known as Fulcrum) as one of the entrances to the Katong Park Station of TEL is right outside Fulcrum. We plan to re-launch this project in 2015.

Outside Singapore, the Group has rescheduled its sales launch of the Doncaster project in Melbourne to 1H2015. With regard to Tower Melbourne, the Group is currently awaiting the court ruling on the validity of the appointment of the relevant building surveyor who was appointed to review and determine the demolition work.

Property Investments

The alteration and addition of the Group's office building along Chin Swee Road (known as CES Centre) will be completed in 4Q2014. Upon which, the Group's headquarters will be relocated there. Apart from being occupied partially by the Group, CES Centre will be leased out to generate rental income for the Group.

Following the recent fund raising exercise from the issuance of bonds, the Group is now better positioned to build a larger investment property portfolio by acquiring buildings with good rental yields and/or re-development potential. The Group will exercise prudence when making such investment decisions.

Construction

Tenders for public housing projects were intense in the last 3 quarters, and is expected to remain competitive following the announcement by the Ministry of National Development that the number of flats to be launched under the Build-to-Order (BTO) programme will be 25% lower in 2015 (16,000 units) as compared to 2014 (22,400 units).

However, with the Group's good track record in public housing, it has secured a strong order book of \$452.5 million as at 30 September 2014. The Group will continue to leverage on its track record to tender for public housing projects so as to maintain a strong order book. The book order does not include the recent HDB project worth \$232.8 million at Woodlands secured by the Group.

Hospitality

The construction of the Group's first hotel along Alexandra Road (known as Park Hotel Alexandra) is progressing well for its target completion in mid-2015. Meanwhile, the recruitment drive for the management team and other key positions of the hotel has started. As for the proposed mixed development in Malacca, approvals from the relevant authorities and fulfilment of other condition precedents are still pending before the land acquisition can be completed.

11 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) Books closure date

Not applicable.

12 If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared/recommendeded for the quarter ended 30 September 2014.

13 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.

14 Confirmation

We, Lim Tiang Chuan and Chia Lee Meng Raymond, being two 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 third quarter ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Lim Tiang Chuan
Executive Deputy Chairman

Chia Lee Meng Raymond
Executive Deputy Chairman and Group Chief Executive Officer

BY ORDER OF THE BOARD

Chia Lee Meng Raymond
Executive Deputy Chairman and Group Chief Executive Officer
7 November 2014