



MEDIA RELEASE

Chip Eng Seng's net profit jumps 3.6 times to \$21.6 million for 1Q 2014

- *Revenue increases by 51.7 per cent year-on-year to \$197.8 million in 1Q 2014 due to higher contributions from construction and property development divisions*

| Financial Highlights (S\$ million) | 3 Months Ended 31 March | | |
|---------------------------------------|-------------------------|---------|------------|
| | 1Q 2014 | 1Q 2013 | Change (%) |
| Revenue | | | |
| - Construction | 71.7 | 65.4 | 9.6 |
| - Property Developments | 125.1 | 64.1 | 95.0 |
| - Property Investments & Others | 1.0 | 0.8 | 25.3 |
| Group Revenue | 197.8 | 130.4 | 51.7 |
| Gross Profit | 34.0 | 20.3 | 67.6 |
| Gross Profit Margin (%) | 17.2 | 15.6 | 10.3 |
| Share of Results of Associates | 0.3 | (0.1) | n.m. |
| Profit Before Tax | 27.1 | 6.8 | 298.7 |
| Profit After Tax | 21.6 | 4.7 | 362.7 |
| Earnings Per Share (cents) | 3.35 | 0.72 | 365.3 |
| NAV Per Share (cents) | 81.59 | 77.12 | 5.8 |

Notes:

- (i) The computation of earnings per share was based on the weighted average of 644,979,184 ordinary shares as at 31 March 2014 (31 December 2013: 648,327,161 ordinary shares).
- (ii) The computation of net asset value per ordinary share was based on 642,034,161 ordinary shares excluding Treasury shares of 25,481,000 (31 December 2013: 646,817,161 ordinary shares excluding Treasury shares of 20,698,000).
- (iii) *n.m.* denotes not meaningful

Singapore, 8 May 2014 – Mainboard-listed **Chip Eng Seng Corporation Ltd** (“CES” or together with its subsidiaries, the “**Group**”) (集永成机构有限公司), a leading Singapore-based construction and property group, reported a net profit of \$21.6 million for the first quarter ended 31 March 2014 (“**1Q 2014**”), up 360% from a net profit of \$4.7 million posted during the same period a year back (“**1Q 2013**”). Revenue also rose a healthy 51.7% year-on-year to \$197.8 million in 1Q 2014 as compared to \$130.4 million in 1Q 2013.

The increase in income was mainly due to stronger revenue contributions from the Group’s Construction and Property Developments divisions.

The Group's Construction division recorded a 9.6% increase to \$71.7 million in 1Q 2014 compared with \$65.4 million in 1Q 2013 due to higher revenue flows from new and on-going projects such as Tampines N4C27, Jurong West N6C31, Yishun N5C2, Bukit Batok N1C13 & N2C23 and Bukit Panjang N4C15. However, the increase was partly offset by lower progress claims from Hougang N4C17 and Belysa.

In the same period, revenue from the Property Developments division almost doubled, rising by 95.0% to \$125.1 million in 1Q 2014 compared with \$64.2 million in 1Q 2013. The increase was mainly attributed to revenue recognised from the Group's completed commercial project, 100 Pasir Panjang, which obtained TOP in March this year. In 1Q 2013, the revenue was primarily contributed by the progressive recognition of a development project known as My Manhattan in Singapore.

In light of stronger revenue flows from the above two divisions, the Group's gross profit rose by 67.6% to \$34.0 million in 1Q 2014 compared to \$20.3 million in 1Q 2013.

Overall, the Group's net profit remained strong at \$21.6 million on revenue of \$197.8 million, translating to a net profit margin of 10.9% as compared to 3.6% in 1Q 2013.

Business Outlook

Moving forward, the Group will continue to participate in land tenders for property developments in Singapore and will continue to look for opportunities to replenish its land bank in Singapore and the surrounding region.

On a segmental basis, the Property Development division expects to obtain TOP for its executive condominium project, Belysa, and DBSS project, Belvia, in 2Q 2014 and 2H 2014 respectively. Beyond Singapore, the Group plans to launch its residential project in Doncaster, Australia, later this year.

The Group's Property Investments division recently completed the purchase of the office building at 420 St Kilda Road, Melbourne in March and has commenced addition and alteration works at the 12-storey office building, San Centre, located along Chin Swee Road in Singapore.

For the Construction division, the Group's outstanding order book stood at \$452.7 million as at 31 March 2014. More importantly, as a sizeable number of projects will be completed by the end of 2014 and 2015, the Group will actively tender for more construction projects in the year to come.

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About Chip Eng Seng Corporation Ltd

Chip Eng Seng Corporation Ltd (“Chip Eng Seng” or the “Group”) is a leading construction player in Singapore and has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 1999. The Group is principally engaged in the following key business segments which comprise Construction, Property Development and Investments and Hospitality.

Founded by Executive Chairman, Mr Lim Tiam Seng, Chip Eng Seng started as a subcontractor firm for conventional landed properties back in the 1960s. However, the Group soon made its mark by making a successful foray into the public housing market in 1982 after being appointed as the main contractor in its first Housing and Development Board (“HDB”) project.

Today, backed by more than 30 years of experience, Chip Eng Seng has earned itself a strong reputation and track record in the construction industry. In particular, the Group’s proven capabilities in design-and-build projects have established Chip Eng Seng as a leading main contractor for public and private construction projects alike.

The Group’s construction business is undertaken by Chip Eng Seng Contractors (1988) Pte Ltd (“CESC”) and CES Engineering & Construction Pte Ltd (“CESE”) while CEL Development Pte Ltd (“CEL”) oversees its property investment and development division.

For more information about Chip Eng Seng Corporation Ltd, please visit www.chipengseng.com

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