

**Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2013****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 2013 \$'000	3Q 2012 \$'000		9M 2013 \$'000	9M 2012 \$'000	
Revenue							
- Construction		67,642	67,696	(0.1)	200,003	174,081	14.9
- Property developments		21,764	194,094	(88.8)	127,444	217,880	(41.5)
- Property investments		449	902	(50.2)	1,851	2,586	(28.4)
- Others		-	-		6	-	NM
		<u>89,855</u>	<u>262,692</u>	(65.8)	<u>329,304</u>	<u>394,547</u>	(16.5)
Cost of sales		(78,460)	(206,794)	(62.1)	(281,432)	(308,012)	(8.6)
Gross profit		<u>11,395</u>	<u>55,898</u>	(79.6)	<u>47,872</u>	<u>86,535</u>	(44.7)
Other items of income							
Interest income	1	564	793	(28.9)	1,838	2,110	(12.9)
Dividend income from investment securities		14	835	(98.3)	161	839	(80.8)
Other income	2	619	247	150.6	1,611	1,761	(8.5)
Other items of expense							
Marketing and distribution	3	(4,955)	(10,562)	(53.1)	(14,272)	(16,386)	(12.9)
Administrative expenses	4	(6,120)	(5,476)	11.8	(20,223)	(16,166)	25.1
Finance costs	5	(526)	(180)	192.2	(1,502)	(703)	113.7
Share of results of associates	6	<u>27,919</u>	<u>186</u>	NM	<u>29,296</u>	<u>144</u>	NM
Profit before tax		<u>28,910</u>	<u>41,741</u>	(30.7)	<u>44,781</u>	<u>58,134</u>	(23.0)
Income tax expense		(1,667)	(11,477)	(85.5)	(6,041)	(16,071)	(62.4)
Profit after tax		<u>27,243</u>	<u>30,264</u>	(10.0)	<u>38,740</u>	<u>42,063</u>	(7.9)
Profit attributable to:							
Owners of the company		27,243	30,264	(10.0)	38,740	42,063	(7.9)
Non-controlling interests		-	-		-	-	
		<u>27,243</u>	<u>30,264</u>		<u>38,740</u>	<u>42,063</u>	

Note:-

NM - Not meaningful.

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

	Group			Group		
	3Q 2013	3Q 2012	+ /(-) %	9M 2013	9M 2012	+ /(-) %
	\$'000	\$'000		\$'000	\$'000	
Other income						
Net gain on disposal of property, plant and equipment	103	-	NM	191	-	NM
Net gain on disposal of investment property	-	-		-	1,230	(100.0)
Net gain on disposal of investment securities	115	-	NM	115	-	NM
Net fair value gain on investment securities	-	42	(100.0)	93	79	17.7
Deposits forfeited from buyers	-	57	(100.0)	147	139	5.8
Gain from bargain purchase arising from acquisition of subsidiary	180	-	NM	180	-	NM
Others	221	148	49.3	885	313	182.7
	<u>619</u>	<u>247</u>		<u>1,611</u>	<u>1,761</u>	

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

Depreciation of property, plant and equipment	(861)	(508)	69.5	(2,609)	(1,427)	82.8
Amortisation of intangible assets	(10)	(3)	233.3	(30)	(9)	233.3
Employee benefits expenses	(15,871)	(15,891)	(0.1)	(45,254)	(38,136)	18.7
Operating lease expenses	(157)	(110)	42.7	(463)	(416)	11.3
Net fair value loss on investment securities	(67)	-	NM	-	-	
Unrealised foreign exchange loss	(121)	(884)	(86.3)	(1,317)	(1,362)	(3.3)
Reversal of/(impairment loss) on trade receivables	209	-	NM	209	(209)	(200.0)
Write down of completed properties held for sale	-	-		-	(131)	(100.0)
	<u>-</u>	<u>-</u>		<u>-</u>	<u>(131)</u>	<u>(100.0)</u>

Notes to Group Income Statement

- Interest income related mainly to interest charged for loans to associates and interest earned on current and deposit accounts. Decrease in interest income was due to the repayment of loans extended to associates.
- The increase in other income in 3Q2013 as compared to 3Q2012 was due to net gain on disposal of property, plant and equipment and investment securities and also gain from bargain purchase arising from acquisition of subsidiary.

The decrease in other income in 9M2013 was mainly due to the absence of gain on disposal of investment property which was recorded in the corresponding period last year. The decrease was partially offset by the increase in net fair value gain on investment securities, net gain on disposal of investment securities, gain from bargain purchase arising from acquisition of subsidiary and funds received from various incentive schemes.
- Higher marketing and distribution expenses in 3Q2012 and 9M2012 mainly due to the remaining commission which was incurred and payable upon the delivery of the completed residential units of a development project, 33M in Australia to the purchasers. Marketing and distribution expenses in 3Q2013 and 9M2013 was mainly due to the marketing expenses incurred for development projects in Singapore (100 Pasir Panjang, Fulcrum, My Manhattan and Yishun Mixed Development) and in Australia (Tower Melbourne).
- The increase in administrative expenses was due to higher staff costs as the Group employed more staff to cater for on-going projects. Higher operating expenses also contributed by the increase in operating activities.
- Finance cost was higher for current quarter and period as a result of loans drawn down to cater for working capital requirement.
- Higher share of profits of associates in the current quarter and period was due to recognition of profit for a completed joint venture development, Privé, which obtained TOP in July 2013.

1(a)(iii) Statement of Comprehensive Income

Note	Group			Group		
	3Q 2013 \$'000	3Q 2012 \$'000	+/(-) %	9M 2013 \$'000	9M 2012 \$'000	+/(-) %
Profit after tax	27,243	30,264	(10.0)	38,740	42,063	(7.9)
Other comprehensive income:						
Net (loss)/gain on fair value changes of available-for-sale financial assets	(304)	(1,326)	(77.1)	229	(510)	144.9
Foreign currency translation	892	(1,500)	(159.5)	(7,328)	(3,658)	(100.3)
Share of other comprehensive income of associates	-	-	-	737	363	103.0
Other comprehensive income for the period, net of tax	588	(2,826)		(6,362)	(3,805)	
Total comprehensive income for the period	27,831	27,438		32,378	38,258	
Total comprehensive income attributable to:						
Owners of the company	27,831	27,438	1.4	32,378	38,258	(15.4)
Non-controlling interests	-	-		-	-	
	27,831	27,438		32,378	38,258	

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 strengthening of the Singapore dollar against the Australian 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		The Company	
	30 Sep 2013 \$'000	31 Dec 2012 \$'000	30 Sep 2013 \$'000	31 Dec 2012 \$'000
Non-current assets				
Property, plant and equipment	155,003	145,326	1,055	1,061
Investment properties	161,752	44,706	-	-
Intangible assets	308	279	211	228
Investment in subsidiaries	-	-	48,302	48,302
Investment in associates	28,457	4,968	650	650
Other receivables	10,877	9,593	39,639	55,157
Investment securities	2,014	2,143	1,978	2,002
Current assets				
Gross amount due from customers for contract work-in-progress	9,210	7,547	-	-
Completed properties held for sale	341	1,839	-	-
Development properties	720,983	543,987	-	-
Prepayments and deposits	1,374	1,519	51	14
Trade and other receivables	143,421	151,619	1,027	21,157
Cash and cash equivalents	226,045	242,050	2,664	3,707
	1,101,374	948,561	3,742	24,878
Deduct: Current liabilities				
Loans and borrowings	210,000	123,000	-	-
Gross amount due to customers for contract work-in-progress	38,646	24,251	-	-
Provisions	2,042	1,907	-	-
Trade and other payables	116,037	108,783	210	145
Other liabilities	18,549	48,194	2,549	13,799
Income tax payable	14,709	46,503	43	133
	399,983	352,638	2,802	14,077
Net current assets	701,391	595,923	940	10,801
Deduct: Non-current liabilities				
Loans and borrowings	582,523	338,750	-	-
Deferred taxation	10,349	3,703	5	5
	592,872	342,453	5	5
Net assets	466,930	460,485	92,770	118,196
Equity attributable to owners of the Company				
Share capital	79,691	79,691	79,691	79,691
Treasury shares	(10,922)	(10,922)	(10,922)	(10,922)
Retained earnings	411,597	398,790	28,343	53,998
Other reserves	(13,436)	(7,074)	(4,342)	(4,571)
	466,930	460,485	92,770	118,196

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

- 1 Significant increase in investment properties was due to the collective purchase of an office building known as San Centre, at 171 Chin Swee Road Singapore.
- 2 The increase was due to the Group's share of results of associates after deducting for dividend received.
- 3 The overall net increase in gross amount due to customers for contract work-in-progress was due to lower progress billings from certain construction projects awarded in the current period.
- 4 The increase in development properties was mainly due to the development costs incurred for development projects at Fulcrum, Alexandra Central, 100 Pasir Panjang and land purchase at Yishun Ring Road / Yishun Avenue 9 in the current period.
- 5 The decrease in trade and other receivables for the Group was mainly due to the progressive payment received from buyers of industrial units at 100 Pasir Panjang.
The decrease in trade and other receivables for the Company was mainly due to the receipt of payment of management fee from subsidiaries.
- 6 The increase in loans and borrowings was mainly due to the loan drawn down for working capital and financing of property development projects in Yishun Ring Road / Yishun Avenue 9 and an investment property known as San Centre. The increase was partially offset by the partial repayment of bank loans for certain on-going development projects.
- 7 The increase in trade and other payables was mainly due to the increase in operating activities.
- 8 The decrease in other liabilities for the Group and Company was mainly due to lower amount from the payment of year end accrued expenses and transfer of accruals to trade payables upon billing.
- 9 The decrease in income tax payable was mainly due to the payment of tax.

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 2013 \$'000	As at 31 Dec 2012 \$'000
Amount repayable in one year or less, or on demand		
- Secured	210,000	123,000
- Unsecured	-	-
Amount repayable after one year		
- Secured	582,523	338,750
- Unsecured	-	-

Details of any collateral

The Group's borrowings of \$792.5 million are loans taken to finance property development projects and investment property, the purchase of a leasehold land for hotel and commercial development and for working capital.

The Group's borrowings of \$747.5 million 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.

The remaining Group's borrowings of \$45.0 million are secured by :

- (a) assignment of dividends to be received from two 40% joint venture companies;
- (b) charge of bank accounts with the banker; and
- (c) 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 2013	3Q 2012	9M 2013	9M 2012
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Operating profit before taxation	28,910	41,741	44,781	58,134
Adjustments for:				
Depreciation and amortisation	871	511	2,639	1,436
Interest income	(564)	(793)	(1,838)	(2,110)
Dividend income from investment securities	(14)	(835)	(161)	(839)
Interest expense	526	180	1,502	703
Net gain on disposal of property, plant and equipment	(103)	-	(191)	-
Net gain on disposal of investment property	-	-	-	(1,230)
Foreign currency translation adjustment	1,026	(1,011)	(7,062)	(2,172)
Net fair value loss/(gain) on investment securities	67	(42)	(93)	(79)
Share of results of associates	(27,919)	(186)	(29,296)	(144)
Net gain on disposal of investment securities	(115)	-	(115)	-
(Reversal of)/impairment loss on trade receivables	(209)	-	(209)	209
Gain from bargain purchase	(180)	-	(180)	-
Write down of completed properties held for sale	-	-	-	131
Operating profit before reinvestment of working capital	2,296	39,565	9,777	54,039
Decrease in completed properties held for sale	(3)	-	1,498	1,321
Decrease/(increase) in development properties	24,624	86,675	(176,996)	29,124
(Increase)/decrease in trade and other receivables	(6,975)	48,028	8,631	25,768
Decrease/(increase) in prepayments and deposits	14,406	(412)	145	18,334
(Decrease)/increase in gross amount due to customers for contract work-in-progress, net	(5,034)	(1,763)	12,866	14,102
(Decrease)/increase in trade and other payables	(8,693)	15,034	1,737	13,599
Increase/(decrease) in other liabilities	2,151	4,857	(29,645)	(9,641)
Cash generated from/(used in) operations	22,772	191,984	(171,987)	146,646
Interest paid	(363)	(88)	(1,353)	(454)
Interest received	370	1,172	1,267	1,922
Income tax paid	(18,249)	(5,195)	(31,189)	(13,811)
Net cash generated from/(used in) operating activities	4,530	187,873	(203,262)	134,303
Cash flows from investing activities:				
Purchase of property, plant and equipment	(5,655)	(4,910)	(12,566)	(6,005)
Proceeds from disposal of property, plant and equipment	103	-	204	2
Proceeds from disposal of investment property	-	-	-	4,140
Net cash inflow on acquisition of subsidiary	5,840	24,729	5,840	24,729
Proceeds from disposal of investment securities	566	-	566	-
Dividend income	6,013	2,167	6,217	9,233
(Advances to)/repayment of advances from associates, net	153	3,164	(738)	5,496
Additions to intangible assets	-	-	(59)	-
Net cash generated from/(used in) investing activities	7,020	25,150	(536)	37,595
Cash flows from financing activities:				
Repayment of loans and borrowings	(5,000)	(171,983)	(17,000)	(171,983)
Proceeds from loans and borrowings	117,298	29,276	347,773	264,514
Dividends paid	-	-	(25,933)	(26,486)
Additions to investment properties	(117,047)	(3,594)	(117,047)	(202,624)
Net cash (used in)/generated from financing activities	(4,749)	(146,301)	187,793	(136,579)
Net increase/(decrease) in cash and cash equivalents	6,801	66,722	(16,005)	35,319
Cash and cash equivalents at beginning of the period	219,244	124,371	242,050	155,774
Cash and cash equivalents at end of the period	226,045	191,093	226,045	191,093
Cash and cash equivalents comprise:				
Short term deposits	35,644	25,471	35,644	25,471
Cash and bank balances	190,401	165,622	190,401	165,622
	226,045	191,093	226,045	191,093

Acquisition of subsidiary

\$'000

Fair value recognised on acquisition

Cash and cash equivalent	6,290
Trade receivables	341
Trade payables	(5,371)
Total identifiable net assets at fair value	1,260
Non-controlling interest	(630)
Gain from bargain purchase	(180)
Total consideration	450
Less: Cash acquired	(6,290)
Net cash inflow on acquisition	(5,840)

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 generated from/(used in) operating activities

Decrease in net cash generated from operating activities for 3Q2013 as compared to 3Q2012 was because in 3Q2012, there were progressive payments received from buyers of a development project in Australia known as 33M.

The increase in net cash used in operating activities for 9M2013 as compared to a net cash generated from operating activities for 9M2012 was mainly due to the Group purchase of land in Yishun Ring Road / Yishun Avenue 9 for property development in the current period as against the progressive payments received from the buyers of 33M in the previous corresponding period.

Net cash generated from/(used in) investing activities

Decrease in net cash generated from investing activities for 3Q2013 as compared to 3Q2012 was mainly due to lower net cash inflow on acquisition of subsidiary. The decrease was partially offset by the increase in dividend income.

The increase in net cash used in investing activities for 9M2013 as compared to a net cash generated from investing activities for 9M2012 was due to the additional costs incurred for the hotel under construction, lower dividend income received from associates, lower net cash inflow on acquisition of subsidiary and lower repayment of advances from associates.

Net cash (used in)/generated from financing activities

The decrease in net cash used in financing activities for 3Q2013 was due to lower repayment of loans and borrowings as compared to 3Q2012.

Net cash generated from financing activities for 9M2013 as compared to net cash used in financing activities for 9M2012 was due to the loans drawn down for development projects and working capital.

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	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total equity \$'000
At 1 January 2013	79,691	(10,922)	(533)	1,037	(4,038)	(3,540)	398,790	391,716	460,485
Total comprehensive income for the period	-	-	-	737	533	(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)	1,774	(3,505)	(11,760)	384,354	370,330	439,099
Total comprehensive income for the period	-	-	-	-	(304)	892	27,243	27,831	27,831
At 30 September 2013	79,691	(10,922)	(533)	1,774	(3,809)	(10,868)	411,597	398,161	466,930

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	Currency translation reserve \$'000	Retained earnings \$'000	Total reserves \$'000	Total equity \$'000
At 1 January 2012	79,691	(3,244)	(533)	674	(3,552)	353	343,495	340,437	416,884
Effect of adopting Amendments to FRS 12	-	-	-	-	-	-	509	509	509
At 1 January 2012, as restated	79,691	(3,244)	(533)	674	(3,552)	353	344,004	340,946	417,393
Total comprehensive income for the period	-	-	-	363	816	(2,158)	11,799	10,820	10,820
Dividends paid	-	-	-	-	-	-	(26,486)	(26,486)	(26,486)
At 30 June 2012	79,691	(3,244)	(533)	1,037	(2,736)	(1,805)	329,317	325,280	401,727
Total comprehensive income for the period	-	-	-	-	(1,326)	(1,500)	30,264	27,438	27,438
At 30 September 2012	79,691	(3,244)	(533)	1,037	(4,062)	(3,305)	359,581	352,718	429,165

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 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

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 2012	79,691	(3,244)	(533)	(3,552)	70,232	142,594
Total comprehensive income for the period	-	-	-	816	5,262	6,078
Dividends paid	-	-	-	-	(26,486)	(26,486)
At 30 June 2012	79,691	(3,244)	(533)	(2,736)	49,008	122,186
Total comprehensive income for the period	-	-	-	(1,326)	(2,706)	(4,032)
At 30 September 2012	79,691	(3,244)	(533)	(4,062)	46,302	118,154

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 2013, the Company held 19,188,000 ordinary shares as treasury shares (30 September 2012 : 5,377,000 ordinary shares). The total number of issued shares of the Company excluding treasury shares as at 30 September 2013 and 30 September 2012 were 648,327,161 and 662,138,161 ordinary shares respectively.

There is no outstanding performance shares granted conditionally under the "Chip Eng Seng Performance Share Plan" as at 30 September 2013 and 30 September 2012.

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 19,188,000 (31 December 2012 : 19,188,000) shares as at 30 September 2013 and 31 December 2012 were 648,327,161.

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 2012, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2013.

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

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 2013	3Q 2012	9M 2013	9M 2012
Earnings per ordinary share for the period :-				
(i) Based on weighted average number of ordinary shares in issue (in cents)	4.20	4.57	5.98	6.35
(ii) On a fully diluted basis (in cents)	4.20	4.57	5.98	6.35

Notes:

- (i) The computation of basic earnings per share was based on the weighted average of 648,327,161 ordinary shares (30 September 2012 : 662,138,161 ordinary shares).
- (ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 648,327,161 ordinary shares (30 September 2012 : 662,138,161 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 2013	31 Dec 2012	30 Sep 2013	31 Dec 2012
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	72.02	71.03	14.31	18.23

The computation of net asset value per ordinary share was based on 648,327,161 ordinary shares (excluding Treasury shares of 19,188,000) (31 December 2012 : 648,327,161 ordinary shares excluding Treasury shares of 19,188,000).

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

3Q2013 vs 3Q2012

Overall

The Group's total revenue decreased by 65.8% to \$89.9 million for 3Q2013 compared to \$262.7 million for 3Q2012.

Gross profit decreased by 79.6% to \$11.4 million for 3Q2013 compared to \$55.9 million for 3Q2012. The gross profit mainly came from the progressive recognition of a development project, My Manhattan for 3Q2013.

The Group's pre-tax profit decreased by 30.7% to \$28.9 million for 3Q2013 compared to \$41.7 million for 3Q2012.

Construction

Revenue remained comparable for 3Q2013 and 3Q2012. Revenue contribution mainly came from on-going projects which are in their active stage of construction.

Property Developments

Revenue decreased significantly to \$21.8 million for 3Q2013 compared to \$194.1 million for 3Q2012. The decrease was due to profit contribution from the delivery of completed residential units of a development project in Australia known as 33M in 3Q2012. There was no such completion of development project in the current quarter.

Share of profit of associates for 3Q2013 amounted to \$27.9 million compared to \$0.2 million for 3Q2012. The current quarter profit mainly came from the recognition of profit from a completed project known as Prive upon obtaining TOP.

Property Investments

Revenue decreased by 50.2% to \$0.4 million for 3Q2013 compared to \$0.9 million for 3Q2012. The decrease was due to no rental income received from the leasing of office for Queen Street property in Australia as the tenants were vacated for the upcoming property development of Tower Melbourne.

- 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)**

9M2013 vs 9M2012

Overall

The Group's total revenue decreased by 16.5% to \$329.3 million for 9M2013 compared to \$394.5 million for 9M2012. The decrease was due to revenue recognised from a development project, 33M in Australia in 3Q2012.

Gross profit decreased by 44.7% to \$47.9 million for 9M2013 compared to \$86.5 million for 9M2012 and the Group's pre-tax profit decreased 23.0% to \$44.8 million for 9M2013 compared to \$58.1 million for 9M2012.

Construction

Revenue increased by 14.9% to \$200.0 million for 9M2013 compared to \$174.1 million for 9M2012. This is mainly due to more construction projects undertaken by the Group and more intensive construction activities for these on-going projects.

Property Developments

Revenue decreased significantly to \$127.5 million for 9M2013 compared to \$217.9 million for 9M2012. This is due to less revenue recognised in the current period which was contributed by the progressive recognition of revenue and profit from a development project, My Manhattan as compared to 33M which was recognised on a completed basis in 3Q2012.

Share of profit of associates for 9M2013 relates to the profit recognition from a joint venture development project, Privé which obtained TOP in July 2013 and additional profit from a joint venture project completed in 2011 upon the finalisation of the development costs in the current period.

Property Investments

Revenue decreased by 28.4% to \$1.9 million for 9M2013 compared to \$2.6 million for 9M2012. The decrease was due to lower rental income received from the leasing of office for Queen Street property in Australia as the tenants were vacated for the upcoming property development of Tower Melbourne.

Group Statement of Financial Position Review

The Group's net debt/equity ratio was 1.21 as at 30 September 2013 as compared to 0.48 as at 31 December 2012. The increase was due to loans drawn down for development projects and working capital.

The Group's net current assets increased significantly to \$701.4 million by \$105.5 million mainly due to the development costs incurred for development projects known as Junction 9 and Nine Residences at Yishun Avenue 9, Fulcrum, Alexandra Central and 100PP. The increase was offset by increase in current liabilities of \$47.3 million mainly due to the loans drawn down for development projects and working capital.

Non-current liabilities increased by \$250.4 million to \$592.9 million as at 30 September 2013 due to the loans drawn down for development and investment projects and working capital.

Shareholders' equity increased from \$460.5 million as at 31 December 2012 to \$466.9 million as at 30 September 2013. The increase of \$6.4 million resulted from the profit contribution for the current period but paired by the payment of dividend of \$25.9 million and a translation loss of \$7.3 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 3Q2013 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

As at 30 September 2013, the Group has 7 wholly-owned development projects namely 100PP, Nine Residences, Tower Melbourne, Fulcrum, Alexandra Central, My Manhattan and Belvia, and a 40% owned development project known as Belysa. Belysa, My Manhattan, Belvia, Tower Melbourne and Alexandra Central are almost fully sold (above 95%).

We expect to obtain Temporary Occupation Permit (TOP) for Belysa, 100PP and My Manhattan in 1H2014 and Belvia in 2H2014.

In October 2013, the Group launched its mixed residential and commercial development known as Junction 9 (Commercial) and Nine Residences (Residential) at Yishun Avenue 9. To date based on options granted, Junction 9 and Nine Residences achieved sales of 91% and 51% respectively.

Property Investments

The Group has completed the purchase of the office building at Chin Swee Road in September 2013. The existing tenants have 6 months to vacate the premise. The Group plans to occupy part of the office building and lease out the remaining units after addition and alteration works are completed.

Construction

As at 30 September 2013, the Group's outstanding order book for its construction contract stood at \$600.0 million. The Group has completed its construction project for executive condominium at Punggol in 3Q2013. As quite a number of construction projects will be completed in end 2013 and 2014, the Group will continue actively tender for more construction projects. The precast division was awarded contracts worth \$13.5 million for the period from July to September 2013 and the outstanding order book for third parties precast contract stood at \$79.6 million.

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/recommended, a statement to that effect

No dividend has been declared/recommended for the quarter ended 30 September 2013.

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 2013 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
5 November 2013