



MEDIA RELEASE

Chip Eng Seng's net profit jumps 168% to \$72.9 million in 3Q2014

- *Revenue climbed 363% y-o-y to \$415.7 million in 3Q2014 due to stronger contribution from Property Development division*

Financial Highlights (S\$ million)	3 Months Ended 30 Sep			9 Months Ended 30 Sep		
	2014	2013	Change (%)	2014	2013	Change (%)
Revenue						
- Construction	100.1	67.6	48.1	256.9	200.0	28.5
- Property Developments	313.8	21.8	1,342.0	475.8	127.4	273.3
- Property Investments & Others	1.7	0.4	278.2	4.4	1.9	137.7
Group Revenue	415.7	89.9	362.6	737.1	329.3	123.8
Gross Profit	93.3	12.7	632.8	151.9	51.9	192.5
Gross Profit Margin (%)	22.4	14.2	57.7	20.6	15.8	30.4
Share of Results of Associates	7.9	27.9	(71.8)	16.7	29.3	(43.0)
Profit Before Tax	84.6	28.9	192.7	131.5	44.8	193.7
Profit After Tax	72.9	27.2	167.6	113.1	38.7	192.1
*Earnings/Share (cents)	11.40	4.20	171.4	17.69	5.98	195.8
^NAV/Share (cents)	-	-	-	90.96	77.12	17.9

* 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).

^ The computation of net asset value per ordinary share as at 30 September 2014 was based on 629,569,161 ordinary shares (excluding Treasury shares of 37,946,000). The comparative 2013 figure was calculated based on 646,817,161 ordinary shares excluding Treasury shares of 20,698,000 as at 31 December 2013.

Singapore, 7 November 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, today reported a stellar set of results for the third quarter ended 30 September 2014 (“**3Q 2014**”), with net profit up by 167.6% y-o-y to \$72.9 million. This was achieved on the back of a 362.6% increase in revenue to \$415.7 million. For the same period in 2013 (“**3Q 2013**”), the Group registered a net profit of \$27.2 million on revenue of \$89.9 million.

The overall increase in revenue was mainly attributable to stronger contribution from the Property Developments division, which saw its topline rise 13.4 times to \$313.8 million in 3Q2014 from \$21.8 million following the completion of development project, Belvia, in August. Other factors that contributed to the increase include the progressive recognition of earnings from on-going projects such as Junction Nine and Nine Residences as well as the sale of remaining units in other completed projects.

During the same period, the Group's Construction division posted a 48.1% increase in revenue to \$100.1 million in 3Q2014 as compared to \$67.6 million in the corresponding quarter last year, on the back of more progress claims from Tampines N4C27, Jurong West N6C31, Yishun N5C2, Bukit Batok N1C13 & N2C23 and Bukit Panjang N4C15. Additionally, increased contributions from both new and on-going projects as well as precast projects also boosted the division's revenue. However, the increase was partially offset by lower progress claims from completed projects, Hougang N4C17 and Belysa.

Raking in a strong showing as well, the Group's Property Investments and Others division registered a 278.2% jump in revenue to \$1.7 million in 3Q2014 as compared to \$0.4 million a year back, spurred by rental income received from the recently-acquired office building at 420 St Kilda Road in Melbourne, Australia.

Cumulatively, for the nine months ended 30 September 2014, the Group continues to maintain a strong set of financials for the current fiscal year, with net profit of \$113.1 million on revenue of \$737.1 million, as compared to \$38.7 million and \$329.3 million in the nine months ended 30 September 2013 respectively.

Commenting on the results, **Executive Chairman of Chip Eng Seng Corporation Ltd, Mr Lim Tiam Seng (林镇成)** said:

"We are proud of our strong performance despite the obstacles posed by the environment we operate in today. With our prudent and conservative practices and strong management team, we feel the Group's financial position remains well-buffered to weather the headwinds ahead."

Business Outlook

Going forward, the Group will continue to exercise prudence in local land tender bids as cooling measures continue to take its toll on Singapore's property market.

That said, there are still pockets of attractive opportunities, leading to the Group's purchase of two land parcels in Fernvale following a tie up with two listed developers back in August. Works are currently underway to prepare the project for launch in 2015.

Following the recent announcement of the upcoming Thomson-East Coast MRT Line ("TEL"), sales of development projects in the East Coast area have picked up, which is expected to benefit the Group's project at Fort Road, the Fulcrum. Notably, the residential development is conveniently

located at one of the entrances of the Katong Park Station (part of the TEL). Preparation works are now currently underway to re-launch this project in 2015.

Away from Singapore, the Group has rescheduled the sales launch of the Doncaster site in Melbourne to 1H2015. Meanwhile, the Group is still handling legal proceedings on matters pertaining to protection works over the adjoining property for the Tower Melbourne development. More updates will be provided as and when available.

For property investments, the alteration and addition works at the Group's new headquarter along Chin Swee Road (known as CES Centre) will be completed in the last quarter of 2014. Excess space in the new building will subsequently be leased out to other tenants to generate a stable stream of rental income for the Group.

With regard to the Alexandra retail-hospitality mixed development, things have been progressing well. Notably, revenue and profit from the Group's first foray into the retail segment, Alexandra Central, are expected to be recognised upon the development's completion in the final quarter of 2014. The hotel arm on the other hand is slated for completion sometime in mid-2015 and will be known as Park Hotel Alexandra. The Group has since started a recruitment drive to for the management team and other key roles for the hotel.

On the public housing front, tenders are expected to remain intense following the announcement by the Ministry of National Development that the number of flats under the Build-to-Order ("BTO") programme would be lowered to 16,000 in 2015 from 22,400 in 2014. However, the Group is expected to remain a strong contender in this field due to its long track record in public housing. As at 30 September 2014, the Group's order book continues to be in good stead, standing at \$452.5 million. However, this does not factor in the Group's latest HDB project win at Woodlands worth \$232.8 million.

###

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

Issued by and on behalf of Chip Eng Seng Corporation Ltd:

August Consulting

Tel: (65) 6733 8873

Karen Ting, karenting@august.com.sg

Michelle Tan, michelle@august.com.sg

Steffi Tam, steffi@august.com.sg