



集永成机构有限公司

CHIP ENG SENG CORPORATION LTD

**Financial Results for Year Ended 31 Dec 2013**

21 February 2014



## Overview of 4Q 2013

- **Lower revenue recorded in 4Q 2013**
  - Revenue of S\$173.2 million, down 22.2% from 4Q 2012
  - Profit of S\$34.6 million, down 11.7% from 4Q 2012
- **Property Development contribution significantly lower**
  - Property development revenue of \$97.2 million compared to \$150.7 million in 4Q 2012
  - Large decline mainly due to absence of higher revenue recognised from development project, My Manhattan and 33M in Melbourne in 4Q 2012
  - Decrease was partially offset by sales of Nine Residences and Junction 9 which were launched in 4Q 2013
- **Stable earnings from Construction division**
  - Construction Revenue increased 6.4% to \$75.5 million, with revenue stemming mainly from active on-going projects



## Overview of FY 2013

- **Lower Revenue in FY 2013**
  - FY 2013 Revenue of \$502.5 million, down 18.6%; mainly due to lesser revenue contributed by the property development division
- **Bottom line affected by lower margins from key divisions**
  - Net profit of \$73.4 million, down 9.7%
  - Lower profit recognised from both construction and property development divisions due to higher labour costs and more intense competition
- **FY 2013 still a stable year overall**
  - Sold more than 95% of units in projects such as Belysa, My Manhattan, Belvia, Tower Melbourne and Alexandra Central
  - In October 2013, the Group launched mixed residential and commercial development, Nine Residences and Junction 9, achieving sales of 64% and 92% respectively
  - Share of profits from associates up from \$2.2 million last year to \$29.9 million in FY 2013 due to recognition of profit for Privé which obtained TOP in July 2013
- **Proposed dividend of 4.0 cents per share**

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## Financial Performance Review



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## 4Q & FY2013 Financial Performance Highlights

Year End 31 Dec (\$ m)	4Q2013	4Q2012	FY2013	FY2012
<b>Revenue</b>	<b>173.2</b>	222.6	<b>502.5</b>	617.1
– Construction	75.5	71.0	275.5	245.1
– Property Developments	97.2	150.7	224.6	368.6
– Property Investments & Others	0.5	0.9	2.3	3.4
<b>Gross Profit</b>	<b>41.3</b>	43.2	<b>89.2</b>	129.7
Share of Associates' Results	0.6	2.1	<b>29.9</b>	2.2
<b>Profit Before Tax</b>	<b>40.6</b>	50.5	<b>85.3</b>	108.6
<b>Profit After Tax</b>	<b>34.6</b>	39.2	<b>73.4</b>	81.3

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## Revenue and Profit Breakdown by Segment

Year End 31 Dec (\$ m)	Revenue FY2013	Revenue FY2012	PBT FY2013	PBT FY2012
<b>Construction</b>	<b>430.3</b>	368.4	<b>25.5</b>	43.4
<b>Property Developments</b>	<b>230.9</b>	419.0	<b>52.9</b>	36.7
<b>Property Investments</b>	<b>2.7</b>	3.9	<b>14.6</b>	34.5
<b>Hotel Development</b>	-	-	<b>(1.2)</b>	(1.0)
<b>Corporate &amp; Others</b>	<b>119.5</b>	46.1	<b>0.1</b>	0.7
<b>Eliminations</b>	<b>(281.0)</b>	(220.2)	<b>(6.5)</b>	(5.7)
<b>Total</b>	<b>502.5</b>	617.1	<b>85.3</b>	108.6

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## Balance Sheet Highlights

(\$ m)	As at 31 Dec 2013	As at 31 Dec 2012
Development Properties	651.4	544.0
Investment Properties	175.7	44.7
Net Current Assets	621.3	595.9
Cash and Cash Equivalents	284.2	242.1
Current Liabilities: Loan and Borrowings	281.0	123.0
Non-Current Liabilities: Loan and Borrowings	487.5	338.8

- Significant increase in investment properties due to acquisition of office building, Sans Centre, at 171 Chin Swee Road
- Increase in development properties mainly due to land acquisition and development costs for following projects:- Fulcrum, Alexandra Central, 100 Pasir Panjang, Nine Residences and Junction 9 in Singapore and a development site in Melbourne



## Key Financial Ratios

	FY2013	FY2012
Return on Equity	14.7%	17.6%
NAV/ share* (cents)	77.1	71.0
Net Debt/ Equity (X)	0.97	0.48
Return on Assets	5.0%	7.0%
EPS* (cents)	11.32	12.29

+ NAVPS computed based on 646,817,161 ordinary shares (31 Dec 2012: 648,321,161 ordinary shares excluding 19,188,000 treasury shares)

\* EPS computed based on weighted average of 649,313,870 ordinary shares (31 Dec 2012: 661,482,387 ordinary shares)



## Operations Update



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## Singapore Residential Projects

### Fulcrum@Fort Road

- 100%-owned
- Launched in April 2012
- Expected to TOP in 2015
- Sold 17 of 128 units



### Site Details

Location: Fort Road  
Land Tenure: Freehold  
Area: 47,878 sq ft  
Plot Ratio: 2.1  
Land Cost: \$86.0 million

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## Singapore Residential Projects

### My Manhattan

- 100%-owned
- Launched in Feb 2011
- Expected to TOP in 2014
- Sold 300 of 301 units



### Site Details

Location: Simel St 3  
Land Tenure: 99-years  
Area: 126,938 sq ft  
Plot Ratio: 2.3  
Land Cost: \$152.69 million

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## Singapore Residential Projects

### Belysa

- 40%-owned
- Launched in May 2011
- Expected to TOP in 2014
- Sold 314 of 315 units



### Site Details

Location: Pasir Ris E3  
Land Tenure: 99-years  
Area: 162,989 sq ft  
Plot Ratio: 2.1  
Land Cost: \$89.9million

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## Singapore Residential Projects

### Belvia

- First DBSS project
- 100%-owned
- Launched in Oct 2011
- Expected to TOP in 2014
- Sold 481 of 488 units



#### Site Details

Location: Bedok Reservoir Crescent

Land Tenure: 99 years

Area: 179,414 sq ft

Plot Ratio: 2.8

Land Cost: \$112.7m

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## Singapore Industrial Project

### 100 Pasir Panjang

- 100% owned
- Launched in Dec 2012
- Expected to TOP in 2014
- Sold 43 of 66 units



100 Pasir Panjang



#### Site Details

Location: Pasir Panjang Road

Land Tenure: Freehold

Area: 54,201 sq ft

Plot Ratio: 2.5

Land Cost: \$62.8 million

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## Singapore Commercial Projects

### Alexandra Central

- 100% owned
- Launched in Jan 2013
- Expected to TOP in 2014
- Sold 113 of 116 units



Alexandra Central



### Site Details

Location: Alexandra Road  
Land Tenure: 99 years  
Gross Floor Area: 93,080 sq ft  
Land Cost: \$66.4 million

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## Singapore Hotel Project

### Hotel @ Alexandra Central

- 100% owned
- 450-room 4-star hotel
- Retail ready in 2014
- Hotel ready in 2015



### Site Details

Location: Alexandra Road  
Land Tenure: 99 years  
Gross Floor Area: 146,409 sq ft  
Land Cost: \$122.6 million

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## Singapore Residential Projects

### Nine Residences

- 100%-owned
- Launched in Oct 2013
- Expected to TOP in 2015
- Sold 119 of 186 units



### Site Details

Location: Yishun Avenue 9  
 Land Tenure: 99-years  
 Area: 176,200 sq ft  
 Plot Ratio: 2.8  
 Land Cost: \$66 million

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## Singapore Commercial Projects

### Junction 9

- 100% owned
- Launched in Oct 2013
- Expected to TOP in 2016
- Sold 134 of 146 units



Junction 9



### Site Details

Location: Yishun Avenue 9  
 Land Tenure: 99 years  
 Gross Floor Area: 106,788 sq ft  
 Usage mix: 40% commercial/  
 60% residential  
 Land Cost: \$146 million

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## Australia Residential Projects

### Tower Melbourne

- 100% owned
- Launched in Dec 2012
- Expected to TOP in 2017
- Sold 573 of 581 units

#### Site Details

Location: 150 Queen Street,  
Melbourne  
Land Tenure: Freehold  
Site Area: 913 sq m  
Land Cost: A\$25.5 million



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## Development Landbank

Location	Site Details	Development Plans	Cost of Acquisition	Tenure	% Owned
<b>Australia</b>					
West Coast Highway, Perth	Site: 10,165sqm	Mixed development	A\$20.0m	Freehold	100%
154-166 Williamsons Road, 5-17 Henry St & 59 Margot Avenue, Doncaster, Victoria	Site: 28,002sqm	Residential of 90 townhouses and 50 apartments	A\$19.3m	Freehold	100%
170 Victoria Street	Site: 2,927sqm	Residential of 1,000 apartments	A\$32.0m	Freehold	100%

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### Ongoing Construction Projects

Project	Description	Expected Completion
<b>External Public Projects</b>		
Hougang N4C17	792 flats with facilities	2014
Yishun N5C2	834 flats with facilities	2014
Tampines N4C27	289 flats with facilities	2014
Bukit Panjang N4C15	862 flats with facilities	2015
Bukit Batok N1C13 & N2C23	1,232 flats with facilities	2016
Jurong West N6C31	700 flats with facilities	2016
<b>Internal Public Projects*</b>		
Belvia	488-units with facilities	2014

*\*Not included in the computation of net order book*

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### Ongoing Construction Projects

Project	Description	Expected Completion
<b>External Private Projects</b>		
Belysa	315-unit exec condominium	2014
<b>Internal Private Projects*</b>		
100 Pasir Panjang	66-units B1 light industrial	2014
My Manhattan	301-units condominium	2014
Fulcrum@Fort Road	128-units condominium	2015
Junction 9 & Nine Residences	146-units retail shops and 186-unit condominium with full facilities	2016

*\*Not included in the computation of net order book*

**Net Order book @ 31 Dec 2013 : \$520.4m**

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## Outlook



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## Strategy & Outlook

### ❖ Outlook for FY 2014

- Cautious and selective expansion of landbank in Singapore in view of the new cooling measures
- Continue to seek overseas opportunities to augment growth

### ❖ Property Development

- TOP for Belysa, 100 Pasir Panjang and My Manhattan expected in 1H 2014 and Belvia in 2H 2014

### ❖ Property Investments

- Completed purchase of office building at Chin Swee Road in Sep 2013
- The Group plans to occupy part of the office building and lease out the remaining units after alteration works

### ❖ Construction

- Current order book stands at \$520.4 million
- Will continue to actively tender for more construction projects as many will be completed in 2014, however will face challenges in the form of rising costs and tighter labour supply
- Exploring ways to drive productivity gains

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## Q & A Session



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## Thank You

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