



MEDIA RELEASE

## Chip Eng Seng reports record earnings with net profit quadrupling to \$281 million for FY2014

- Revenue hits \$1.1 billion, climbing 120% year-on-year (“yoy”) due to stronger contribution from Property Developments
- Completion of maiden retail mall, Alexandra Central, spurred topline growth
- Strong current order book of \$622 million

Financial Highlights (S\$ million)	3 Months Ended 31 Dec			12 Months Ended 31 Dec		
	4Q 2014	4Q 2013	Change (%)	FY 2014	FY 2013	Change (%)
<b>Revenue</b>						
- Property Developments	289.8	97.2	198.3	765.6	224.6	240.9
- Construction	77.3	75.5	2.4	334.2	275.6	21.3
- Property Investments & Others	1.5	0.5	212.5	5.9	2.3	152.7
<b>Group Revenue</b>	<b>368.6</b>	<b>173.2</b>	<b>112.9</b>	<b>1,105.7</b>	<b>502.5</b>	<b>120.1</b>
<b>Gross Profit</b>	<b>180.5</b>	<b>52.2</b>	<b>246.1</b>	<b>332.5</b>	<b>104.1</b>	<b>219.4</b>
<b>Share of Results of Associates</b>	<b>0.4</b>	<b>0.6</b>	<b>(38.8)</b>	<b>17.1</b>	<b>29.9</b>	<b>(42.9)</b>
<b>Profit Before Tax</b>	<b>192.2</b>	<b>40.6</b>	<b>373.7</b>	<b>323.7</b>	<b>85.3</b>	<b>279.3</b>
<b>Profit After Tax</b>	<b>167.6</b>	<b>34.6</b>	<b>383.9</b>	<b>280.7</b>	<b>73.4</b>	<b>282.6</b>
<b>*Earnings/Share (cents)</b>	<b>26.31</b>	<b>5.34</b>	<b>392.7</b>	<b>44.07</b>	<b>11.32</b>	<b>289.3</b>
<b>^NAV/Share (cents)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117.22</b>	<b>77.12</b>	<b>52.0</b>

\* The computation of basic earnings per share was based on the weighted average of 636,983,304 ordinary shares as at 31 December 2014 (31 December 2013: 648,313,870 ordinary shares).

^ The computation of net asset value per ordinary share as at 31 December 2014 was based on 627,869,161 ordinary shares (excluding Treasury shares of 39,646,000). 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, 24 February 2015** – 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 property and construction group, reported record earnings for the year ended 31 December 2014 (“FY2014”).

Net profit jumped 282.6% to a high of S\$280.7 million, with revenue exceeding the S\$1 billion mark at S\$1.11 billion. This was 120.1% higher than the S\$502.5 million achieved in the previous financial year (“FY2013”).

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

**“2014 marks a record year for us as we crossed our revenue milestone of \$1 billion despite the challenging landscape we were operating in. A very important milestone for us during the year was the completion of our maiden retail mall, Alexandra Central, which marked our first step towards a more diversified and resilient earnings base. Going forward, together with our shareholders’ support, we hope to continue achieving new heights, providing greater value to all our stakeholders in the years ahead.”**

The overall increase in revenue was mainly attributable to stronger contribution from the Property Developments division, which rose 240.9% to \$765.6 million from \$224.6 million, following the completion of a retail development project, Alexandra Central, in December 2014. Other factors that contributed to the increase include the progressive recognition of earnings from on-going projects such as Junction Nine & Nine Residences, as well as the sale of remaining units in other completed projects.

During the same period, the Group’s Construction division registered revenue of \$334.2 million, up from S\$275.5 million the year before. Revenue mainly arose from new and on-going projects, including progress claims from public housing projects such as Sembawang N1C10, Jurong West N6C31, Bukit Batok N1C13 & N2C23 and Bukit Panjang N4C15.

Property Investments and Others division also posted a 152.7% jump in revenue to \$5.9 million as compared to \$2.3 million in FY2013. This was on the back of rental income received from the Group’s Melbourne-based commercial property located at 420 St Kilda Road acquired in March 2014.

### **Business Outlook**

In the coming year, the Group plans to adopt a cautious approach towards growing its land bank locally as cooling measures and economic uncertainty continue to send buyers to the sidelines.

However, in line with recent news of the upcoming Thomson-East Coast MRT Line, the Group anticipates a pick-up of demand for development projects in the East Coast area, potentially benefiting the Group’s residential project, Fulcrum, located at Fort Road. Notably, the property is expected to be located at the doorstep of the upcoming Katong Park Station (part of the Thomson-East Coast MRT Line) slated for completion in 2023. Currently, preparation works are underway to re-launch the project in 2H2015.

In terms of new builds, the Group plans to launch its Fernvale Road sites in 2015, following the purchase of two land parcels back in August last year. Away from Singapore, the Group has launched its Doncaster Project in Melbourne in January 2015. For Victoria Street site we intend to divest it in 2015.

With regard to the Tower Melbourne development, the Group is still currently handling legal proceedings on matters pertaining to protection works over the adjoining property. 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) was completed in December last year. The Group has since shifted into the new premises in February 2015. Additional space in the new building will subsequently be leased to other tenants to generate an additional source of recurring income for the Group.

Well underway, the Group's maiden hospitality offering, Park Hotel Alexandra, is expected to obtain TOP in mid-2015. A recruitment drive has since commenced for staff for the property and the hotel is expected to contribute materially to the Group from 2016.

Going forward, public tenders for construction projects are expected to remain intense following an announcement by the Ministry of National Development last year 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 sterling track record in public housing.

As at 31 December 2014, the Group's order book continues to be in good stead, standing at \$622.2 million.

**-End-**

### **About Chip Eng Seng Corporation Ltd**

Chip Eng Seng is one of the leading property and construction groups in Singapore. Its core businesses comprise construction, property development, property investment and hospitality.

On the back of a strong operating record, Chip Eng Seng is recognised as one of the largest main contractors for residential projects by Singapore's public housing authority, the Housing and Development Board. Its property development portfolio includes landed houses, executive condominiums, private condominiums, DBSS flats, industrial buildings, commercial properties as well as integrated developments.

With its headquarters and listing in Singapore, it also has a business presence in Australia and Malaysia. Further information on the company can be found on its website [www.chipengseng.com.sg](http://www.chipengseng.com.sg).

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

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