



集永成机构有限公司

CHIP ENG SENG CORPORATION LTD

Second Quarter and First Half Results (FY2014)

7 August 2014



## Agenda for the Day

- 1 Financial Highlights
- 2 Operations & Financial Review
- 3 Portfolio Highlights
- 4 Outlook
- 5 Q&A Session





## Financial Highlights



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## 2Q & 1H FY2014 Financial Performance Highlights

(S\$ m)	2Q 2014	2Q 2013	1H 2014	1H 2013
<b>Group Revenue</b>	<b>123.6</b>	109.1	<b>321.4</b>	239.4
– Construction	<b>85.1</b>	66.9	<b>156.8</b>	132.4
– Property Developments	<b>36.8</b>	41.5	<b>162.0</b>	105.7
– Property Investments & Others	<b>1.7</b>	0.6	<b>2.7</b>	1.4
<b>Gross Profit</b>	<b>22.1</b>	16.7	<b>58.6</b>	39.2
<b>Share of Results of Associates</b>	<b>8.5</b>	1.4	<b>8.8</b>	1.4
<b>Profit Before Tax</b>	<b>19.8</b>	9.1	<b>46.9</b>	15.9
<b>Profit After Tax</b>	<b>18.6</b>	6.8	<b>40.2</b>	11.5

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## Balance Sheet Highlights

(S\$ m)	As at 30 Jun 2014	As at 31 Dec 2013
<b>Development Properties</b>	<b>450.8</b>	651.4
<b>Investment Properties <sup>(1)</sup></b>	<b>240.1</b>	175.7
<b>Net Current Assets</b>	<b>499.4</b>	621.3
~ Cash and Cash Equivalents	192.7	284.2
~ Current Liabilities: Loan and Borrowings	149.0	281.0
~ Non-Current Liabilities: Loan and Borrowings	449.4	487.5

**Notes:**

(1) The increase in investment properties was due to the acquisition of the office building at 420 St Kilda Road, Melbourne in Australia and cost incurred for the addition and alteration works to CES Centre, an office building along Chin Swee Road (formerly known as San Centre).

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## Key Financial Ratios

For the period ended 30 Jun (S\$ m)	2Q 2014	2Q 2013	1H 2014	1H 2013
<b>Earnings per share (cents) <sup>(1)</sup></b>	<b>2.90</b>	1.05	<b>6.26</b>	1.77
<b>Net Asset Value Per Share (cents) <sup>(2)</sup></b>	-	-	<b>80.44</b>	67.73
<b>Net Debt to Equity</b>	-	-	<b>0.79</b>	0.97 <sup>(3)</sup>

**Notes:**

(1) The computation of basic earnings per share was based on the weighted average of 642,496,824 ordinary shares (30 June 2013: 648,327,161 ordinary shares).

(2) The computation of net asset value per ordinary share was based on 636,974,161 ordinary shares (excluding Treasury shares of 30,541,000) (30 June 2013: 648,327,161 ordinary shares excluding Treasury shares of 19,188,000).

(3) Calculated as at 31 December 2013

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## Operations & Financial Review



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## Overview of 2Q 2014

- **Higher revenue and profit recorded in 2Q 2014**
  - Revenue of \$123.6 million, up 13.4% from \$109.1 million in 2Q 2013
  - Profit after tax of \$18.6 million, up 172.8% from \$6.8 million in 2Q 2013
- **Stronger revenue recorded for Construction**
  - Construction: Revenue rose 27.1% to \$85.1 million due to new and on-going projects and increased progress claims from several public housing projects.
- **Lower revenue recorded for Property Developments**
  - Revenue declined 11.3% to \$36.8 million from \$41.5 million a year back as a mixed development project, Junction Nine & Nine Residences, is still in the initial stage of construction.
  - In 2Q 2013, the division's revenue came mainly from the progressive recognition of revenue and profit from the recently completed, My Manhattan.

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## Overview of 1H 2014

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- **Higher Revenue in 1H 2014**
  - 1H 2014 Revenue of \$321.4 million, up 34.2%; mainly due to several on-going projects being at their active stage of construction.
- **Bottom line boosted by stronger contributions from key divisions**
  - Net profit of \$40.2 million, up 249.9% year on year
  - Higher profit due to stronger contribution from all three key divisions.
- **Healthy earnings expected to be sustained for the rest of FY2014**
  - Several projects expected to TOP in 2014, leading to the recognition of revenue and profits.
  - Belvia and Alexandra Central are expected to be completed in 3Q2014 and 4Q2014 respectively.
  - Following the completion of works at CES Centre (formerly known as San Centre), the property is expected to generate an additional source of rental income for the Group from 4Q2014.

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## Portfolio Highlights



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## Singapore Industrial Project

### 100 Pasir Panjang

- 100% owned
- Launched in Dec 2012
- Obtained TOP in March 2014
- Sold 54 of 66 units



#### 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 Residential Projects

### Belysa

- 40%-owned
- Launched in May 2011
- Obtained TOP in May 2014
- Sold 313 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 3Q 2014
- Sold 486 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 Commercial Projects

### Alexandra Central

- 100% owned
- Launched in Jan 2013
- Expected to TOP in 4Q 2014
- Sold 114 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
- 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 2016
- Sold 144 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 Nine

- 100% owned
- Launched in Oct 2013
- Expected to TOP in 2016
- Sold 143 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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## Singapore Residential Projects

### Fulcrum@Fort Road

- 100%-owned
- Launched in April 2012
- Expected to TOP in 2016
- Sold 17 of 128 units



Fulcrum



### 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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## Australia Residential Projects

### Tower Melbourne

- 100% owned
- Launched in Dec 2012
- Expected to TOP in 2018
- Sold 578 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 Cost 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 105 townhouses and 72 apartments	A\$19.3m	Freehold	100%
170 Victoria Street	Site: 2,927sqm	Residential of 1,000 apartments	A\$32.0m	Freehold	100%
<b>Malaysia</b>					
Malacca City (commercial area of Melaka Raya)	Site: 4,120 sqm	Mixed use high rise development comprising hotel, retail and serviced apartments	RM\$19.0m	Leasehold	100%

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## Ongoing Construction Projects

Project	Description	Expected Completion
<b>External Public Projects</b>		
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
Sembawang N1C10	1,220 flats with facilities	2017
<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>Internal Private Projects*</b>		
Fulcrum@Fort Road	128-units condominium	2016
Junction Nine & 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 @ 30 Jun 2014 : \$548.0 m**

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## Outlook



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## Strategy & Outlook

### ❖ Outlook for FY 2014

- Will continue to exercise prudence in Singapore land tenders to manage exposure to softening domestic market
- To focus more on public housing projects in anticipation of increased demand in the sector

### ❖ Property Developments

- TOP for Belvia and Alexandra Central in 3Q 2014 and 4Q 2014 respectively
- Prepare sites in Melbourne for sales launch (eg. Doncaster site by end of 2014)
- Tower Melbourne project likely to see a delay due to concerns on protection works from an adjoining owner

### ❖ Property Investments

- Carrying out A&A works at CES Centre (previously known as San Centre)
- Expected completion by end of 2014

### ❖ Construction

- Current order book stands at \$548.0 million as of 30 June 2014
- Will continue to leverage on our track records to tender public housing projects.

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## Q&A session



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## Disclaimer

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## Thank You

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