



集永成机构有限公司  
CHIP ENG SENG CORPORATION LTD



# REACHING NEW HEIGHTS

挑战未来，再创高峰

ANNUAL REPORT 2014



## ICONIC PROJECTS AT A GLANCE

### ALEXANDRA CENTRAL - *Alexandra Road, Singapore*

Designed by award-winning architects, the commercial development is poised to become an iconic landmark in the Alexandra area. Prominently located at the heart of Singapore's historical heritage area and connected to the Group's soon-to-be-completed hospitality asset, this project marks the Group's first foray into the development of shopping malls, further enhancing its capability and expertise as a property developer in both residential and commercial projects.

#### GROSS FLOOR AREA:

Approximately

**93,080** sq ft

#### NUMBER OF RETAIL UNITS:

**116**

TENURE  
OF LAND:

**99**  
YEARS

TOP:

DECEMBER  
**2014**





## ICONIC PROJECTS AT A GLANCE

### CES Centre - *Chin Swee Road, Singapore*

Equipped with sleek and thoughtfully designed office units, the Group's new headquarters, CES Centre, is strategically located at the fringe of Singapore's Central Business District, with easy access to the bustling business activities synonymous with the region. The 12-storey commercial development provides a convenient location alongside a multitude of transport and dining options.

**GROSS FLOOR AREA:**

Approximately

**131,896** sq ft

**DECEMBER**  
TOP: **2014**



**CES CENTRE**

**CES CENTRE**

Call 6100 6171

# FINANCIAL REVIEW



Junction Nine & Nine Residences, Singapore - a mixed residential and retail development under construction

## FINANCIAL REVIEW

### REVENUE AND PROFITABILITY

The Group raked in revenue of \$1.1 billion in FY2014, 120.1% higher than the \$502.5 million posted in FY2013 due to stronger contributions from the Property Developments Division following the completion of several key projects.

Revenue from the Property Development Division climbed \$541.0 million to \$765.6 million in FY2014 as compared to \$224.6 million in FY2013 on the back of revenue recognised from completed projects - 100 Pasir Panjang, Belvia and Alexandra Central. The progressive recognition of mixed development project, Nine Residences & Junction Nine also boosted the Group's turnover during the fiscal period.

Under the Construction Division, the Group registered a 21.3% increase in revenue to \$334.2 million in FY2014 as compared to \$275.5 million in FY2013. This was mainly due to several on-going projects which were undergoing their active stages of construction. In addition, increased contributions from precast projects also spurred the Division's revenue during the year.

On the back of rental flows derived from the Group's Melbourne office building located at 420 St Kilda Road, revenue from the Property Investments & Others Division grew 152.7% to \$5.9 million in FY2014 as compared to \$2.3 million in the year before.

In line with a stronger topline and the completion of several higher margin projects, the Group's gross profit increased 219.4% in FY2014 to \$332.5 million from \$104.1 million previously. Correspondingly, profit after tax climbed 282.6% year-on-year to hit a record \$280.7 million in FY2014.

### OPERATING EXPENSES

Operating expenses declined 2.1% from \$63.9 million to \$62.5 million on the back of lower marketing and distribution expenses incurred on the back of fewer development launches during the year. In FY2014, marketing and distribution expenses mainly stemmed from a single mixed development, Junction Nine & Nine Residences, whereas in FY2013, expenses incurred were derived from a medley of projects comprising 100 Pasir Panjang, Fulcrum, My Manhattan and Tower Melbourne.

Administrative expenses however climbed 31.0% year-on-year to \$56.8 million due to increased staff wages and monetary incentives, in addition to exchange losses.

### BALANCE SHEET REVIEW

#### Property, plant and equipment

The increase in property, plant and equipment was due to the construction and other costs incurred for the Group's hotel at Alexandra Road.



**Belvia, Singapore - a DBSS residential housing project completed in 2014**

### Investment properties

Investment properties rose from \$175.7 million to \$289.0 million in FY2014 following the acquisition of Melbourne-based office building along St Kilda Road, as well as cost incurred to addition and alteration works pertaining to the recently completed CES Centre at Chin Swee Road.

### Development properties

The increase in development properties, from \$925.6 million in FY2013, to \$963.8 million in FY2014, was chiefly due to the recently acquired land parcels along Fernvale Road and additional development costs incurred for on-going projects. However, this was partly offset by the completion of four development projects, namely My Manhattan, 100 Pasir Panjang, Belvia and Alexandra Central in Singapore.

### Trade and other receivables

The increase in trade and other receivables for the Group was mainly due to the progress billings receivables for four completed development projects (100 Pasir Panjang, My Manhattan, Belvia and Alexandra Central) following the receipts of TOP of these projects.

### Cash and cash equivalents

Payment arising from the completion of projects coupled with the collection of progress billings from construction projects helped boost the Group's overall cash position,

which strengthened from \$284.2 million to \$285.0 million as at 31 December 2014.

### Borrowings

Total borrowings increased \$172.3 million in FY2014 following the issuance of \$150 million notes under the \$500 million Mucurrency Debt Issuance Programme in October last year. In addition, bank loans were drawn down for working capital needs and to fund the purchase consideration for both the Group's St Kilda (Australia) and Fernvale (Singapore) properties during the year. These increases were partially offset by repayment of bank loans.

### Trade and other payables

Trade and other payables declined because of progressive billings originally recorded as trade payables, which were subsequently recognised as revenue upon TOP for the development projects at 100 Pasir Panjang, My Manhattan, Belvia and Alexandra Central.

### Shareholders' equity

On the back of record earnings in the financial year in review, shareholders' equity increased from \$498.8 million to \$736.4 million in FY2014. As a result, net asset value per share jumped 51.2% to 117.2 cents from 77.1 cents.



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