



**CHIP ENG SENG CORPORATION LTD**  
Co. Reg. No. 199805196H

**For Immediate Release**

## **Chip Eng Seng to develop Australian project – awarded Melbourne CBD site for AUD20.2 million**

**15 March 2010 – Chip Eng Seng Corporation Ltd (集永成机构有限公司 or “CES”),** a leading construction and property group, has been awarded the tender for a land parcel at 27-39 Mackenzie Street, Melbourne VIC 3000, Australia for a purchase price of AUD20.2 million. The land tender was won by its wholly owned subsidiary CES-MCKENZIE (VIC) PTY LTD (“CESM”).

**“We are very pleased to secure this very prime site; which will also be our third development property project in Australia. Melbourne represents a great opportunity as the city is currently experiencing a shortage in supply even as the population continues to increase. With the stabilising world economy, we believe that this is an opportune time for us to expand our development property portfolio. Chip Eng Seng will continue to identify locations that appeal to discerning buyers, both regionally and in Singapore. We aim to create superior value for our buyers by developing distinctive and high quality residential projects.”**

**- Executive Chairman, Mr Lim Tiam Seng (林镇成)**

The site, situated in the eastern Central Business District of Melbourne, has a land area of approximately 20,000 square feet. CESM proposes to develop a 32-storey residential tower of about 350 apartments on the site, with amenities such as shops and licensed food and drink premises and parking facilities. The proposed development is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2010.

CES has in the past, successfully developed two development projects in Adelaide: a commercial building on Pulteney Street and the North Shore residential project.

**“We will finance this acquisition by internal funds and bank borrowings. As of end-2009, we have cash of S\$76 million and a low net gearing ratio of 0.15. Our cash position will strengthen further, with the TOP of our joint development projects, The Parc Condominium and City Vista Residences in 2010. This puts us in an excellent position to pursue opportunities in Singapore and the region, as well as allow us to tender competitively for construction projects.”**

**- Executive Chairman, Mr Lim Tiam Seng (林镇成)**

On 10 February 2010, CES announced a sterling set of results for the year ended 31 Dec 2009. Group revenue rose 6.2% to \$376.4 million while profit after tax surged 71.7% to a record \$75.3 million. The impressive performance was largely due to the progressive recognition of profits from joint development projects, namely the Parc Condominium, CityVista Residences, Grange Infinite and the Suites@Central. The Board has recommended a first and final dividend tax exempt (one-tier) of 3.0 cents per share, 4 times higher than FY08's dividend payout of 0.75 cents per share. The current proposed dividend payout translates into a generous dividend yield of approximately 8% (based on last closing share price of 39.0 cents as at 12 March 2010).

### **About the Melbourne site**

Melbourne is the capital city of the state of Victoria and its business, administrative, cultural and recreational hub. It is also the only city in the world to be accorded the title of the "World's Most Liveable City" twice, by the Economist. The proposed development is located on MacKenzie Street, the eastern side of the CBD area of Melbourne. It is close to renowned universities such as RMIT and Melbourne University. Nearby amenities include The Queen Victoria Market and QV Centre, one a traditional shopping hub while the other is the latest lifestyle shopping hub. The proposed development will have outstanding natural light and views, including that of the iconic Carlton Garden, a World Heritage site. The area is also surrounded by culturally rich and diverse precincts such as Chinatown and the Greek-inspired precinct of Lonsdale Street.

### **Other Recent Developments at Chip Eng Seng**

Chip Eng Seng's construction arm, Chip Eng Seng Contractors (1988) ("CESC"), recently celebrated the successful completion of The Pinnacle@Duxton, an iconic mega development for the Housing and Development Board ("HDB"). It is the first 50-storey public housing project in Singapore, with two unique sky bridges linking the seven blocks at the 26th and 50th storey.

**"As the main contractor for the project, The Pinnacle@Duxton, Chip Eng Seng has worked very hard to meet and exceed the stringent standards set by HDB. In the process, we have gained invaluable experience and skills in the construction of complex projects. We have also achieved several breakthroughs in our technological and engineering capabilities. With the completion of this mega project, the Group will have capacity to tender for new projects going forward.**

**This is a momentous milestone for Chip Eng Seng. It underscores our commitment to continually innovate and build superior homes, in both public and private housing projects."**

- **Executive Chairman, Mr Lim Tiam Seng (林镇成)**

CESC's construction order-book stood at \$391 million as at 31 December 2009.

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

Chip Eng Seng Corporation Ltd (“CES”) is one of Singapore’s leading construction and property group with businesses spanning across construction, property development and property investment. The group was founded by Mr Lim Tiam Seng in the 1960s, as a building subcontractor for conventional landed properties. In 1982, the company won its first Singapore Housing and Development Board (HDB) project as a main contractor. Over the years, it has established itself as a leading main contractor for large scale public construction projects with design-and-build capabilities. CES later expanded into property investment and development in the 1990s.

### **Construction**

The Group’s construction business is undertaken by wholly owned subsidiary Chip Eng Seng Contractors (1988) Pte Ltd (“CESC”) and CES Engineering & Construction Pte Ltd (“CESE”). CESC is registered with the Building and Construction Authority of Singapore under the A1 classification for general building and A1 classification for civil engineering, which allows it to tender for public sector projects of unlimited value. It has undertaken a wide range of public and private construction projects, which include HDB projects, residential and commercial properties, institutional buildings, industrial buildings, columbarium, shophouses, and precast projects.

In 2005, CESC was accorded the Housing & Development Board’s (HDB) “Quality Award 2005”, a fitting testimony to the professional quality that the company delivers. In the same year, CESC was awarded a HDB contract to build the iconic “The Pinnacle@Duxton”, Singapore’s tallest public housing project.

### **Property Development & Investment**

The Group’s property investment and development activities are undertaken by wholly owned subsidiary CEL Development Pte Ltd (CEL). Since 2000, CEL has acquired sites for property development and investment in Singapore, Australia and Vietnam. CEL believes in growth through partnerships. It has established joint ventures with reputable foreign funds such as Lehman Brothers Real Estate Partner II and Citadel Equity Fund Ltd. CEL has also teamed with local partners like NTUC Choice Homes Co-operative Ltd and Keppel Land Limited on several highly successful property projects. These developments include residential, commercial and industrial properties. The current portfolio of CEL includes mid-market and high-end prime properties.

CES is listed on the mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 24 November 1999.

For more information about Chip Eng Seng Corporation Ltd, please visit [www.chipengseng.com](http://www.chipengseng.com)

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