



CHIP ENG SENG CORPORATION LTD

Co. Reg. No. 199805196H

**INCORPORATION OF SUBSIDIARY AND PURCHASE OF A FREEHOLD PROPERTY AT
420 ST KILDA ROAD, MELBOURNE**

The Board of Directors of Chip Eng Seng Corporation Ltd (the “Company”) is pleased to announce that the Company has incorporated a wholly owned subsidiary, CES Properties (Aus) Pty Ltd (“CES Properties”) in Australia and CES Properties has entered into an agreement to purchase a fully tenanted freehold office building located at 420 St Kilda Road, Melbourne with a land area of 2,286 square metres (the “Property”). The Property has a total net lettable area of 10,528 square metres and 135 basement car parking lots. The purchase price is A\$45,280,000 (the “Purchase Price”) and the legal completion for the purchase is in March 2014.

The Purchase Price for the Property was arrived at after taking into account various commercial factors including the location of the Property, the investment yield and the recent transacted prices for properties in the vicinity.

The Purchase Price will be financed by internal sources and bank borrowings and the transaction is not expected to have significant impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2013.

None of the Directors and, to the best knowledge of the Directors, none of the controlling and substantial shareholders of the Company, has any direct or indirect interest in the transaction.

Submitted by Chia Lee Meng Raymond, Executive Deputy Chairman and Group Chief Executive Officer on 10 December 2013 to the SGX