



CHIP ENG SENG CORPORATION LTD

Co. Reg. No. 199805196H

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- 1) **INCORPORATION OF SUBSIDIARIES**
 - 2) **PURCHASE OF LEASEHOLD LAND IN MALACCA, MALAYSIA**
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The Board of Directors of Chip Eng Seng Corporation Ltd (the “**Company**”) is pleased to announce that the Company has incorporated two wholly owned subsidiaries, CEL Property (M) Pte. Ltd. (“**CEL Property**”) in Singapore and CEL Malacca Sdn. Bhd. (“**CEL Malacca**”) in Malaysia. CEL Malacca is a wholly owned subsidiary of CEL Property and it has entered into an agreement to purchase two pieces of leasehold land in Malacca City (the “**Site**”). The details of the Site are:-

- (a) HS(D) 75522, PT 857 measuring 3132 sq. meter (“**PT 857**”); and
- (b) HS(D) 75520, PT 855 measuring 988 sq. meter (“**PT 855**”).

both in the district of Central of Malacca.

The purchase price is RM19,000,000.00 (the “**Purchase Price**”) and the completion of acquisition is subject to the following conditions precedent:-

- (a) the approval from the State Government of Melaka for CEL Malacca to acquire the Site;
- (b) the State Government of Melaka’s consent for the vendor of the Site to transfer the Site to CEL Malacca; and
- (c) certain planning approvals for the proposed development on the Site.

Upon the fulfillment of the conditions precedent, the proposed acquisition shall become unconditional and the Group will release a further announcement with regards to the completion date of the acquisition.

The Site has a total land area of 4,120 square metres and the Group intends to develop it into a mixed use high rise development comprises hotel, retail and serviced apartments. The Site is strategically located within the commercial area of Melaka Raya and is along the coastal road of Jalan Syed Ab. Aziz. It is also within walking distance to Mahkota Medical Centre and Mahkota Parade.

The Purchase Price for the Site was arrived at after taking into account various commercial factors including the location of the Site, the approved use and the investment yield.

The Purchase Price will be financed by internal sources 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 2014.

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 24 April 2014 to the SGX.