



CHIP ENG SENG CORPORATION LTD

Co. Reg. No. 199805196H

PURCHASE OF RESIDENTIAL & INDUSTRIAL SITE AT 217 AND 221-223 SEPARATION STREET, NORTHCOTE, VICTORIA, AUSTRALIA

The Board of Directors of Chip Eng Seng Corporation Ltd (the “Company”) is pleased to announce that the Group’s wholly owned subsidiary, CES-Northcote (VIC) Pty Ltd (“CES-Northcote”) has today entered into a Contract of Sale (the “Agreement”) to purchase the site at 217 and 221-223 Separation Street, Northcote, Victoria, Australia. The purchase price of the two properties collectively is A\$27 million (the “Purchase Price”). The settlement date for this transaction is 120 days from the date of the Agreement.

217 Separation Street contains a single storey detached dwelling that is currently leased and used for home occupation. 221-223 Separation Street contains industrial buildings and associated car parks and will be leased to the current occupant to continue operating its packaging business for 1 year from the settlement date.

The properties have a total site area of 17,857 square metres and provide opportunity for significant residential redevelopment. CES-Northcote will apply for a rezoning of the land to allow for a change of use from industrial to residential. The development potential includes approximately 15 townhouses and 300 apartments, subject to town planning approval (“Proposed Development”).

The Purchase Price and the Proposed Development will be financed by internal sources and bank borrowings and 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 2015.

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

Submitted by Hoon Tai Meng, Executive Director on 5th October 2015 to the SGX.