



CHIP ENG SENG CORPORATION LTD

Co. Reg. No. 199805196H

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## SETTING UP OF A JOINT VENTURE FOR THE VIETNAM PROJECT

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The Board of Directors of Chip Eng Seng Corporation Ltd (the “**Company**”) is pleased to announce that the Group’s wholly owned subsidiary, CES-Vietnam Holdings Pte. Ltd. (“**CESV**”) had entered into a Shareholders’ Agreement (“**Shareholders’ Agreement**”) dated 22 October 2015 with LGB (Vietnam) Pte. Ltd. (“**LGB**”), KH Capital Pte. Ltd. (“**KH**”), Goldprime Development Pte. Ltd. (“**Goldprime**”), KSH Vietnam Investment Pte. Ltd. (“**KSH**”) and Seacare Properties (Vietnam) Pte. Ltd. (“**SC**”) (collectively, the “**Joint Venture Partners**”) in relation to a joint venture in a Singapore incorporated company named LGB-NB Pte. Ltd. (“**LGB-NB**”).

LGB-NB has been incorporated for the purposes of, through a subsidiary of LGB-NB to be incorporated in Vietnam, (a) acquiring a plot of land located at Nha Be, Ho Chi Minh City, Vietnam which has a land size of approximately 11,799.8 square meter (the “**Land**”), and (b) undertaking residential development on the Land (the “**Project**”).

As at the date of this announcement, LGB-NB has an issued and paid up share capital of US\$1,000 comprising 1,000 ordinary shares, held by the Joint Venture Partners as follows:

<u>Name of Joint Venture Partners</u>	<u>%</u>	<u>No. of LGB-NB's shares</u>	<u>Total Subscription Price</u>
LGB	25	250	US\$250
CESV	20	200	US\$200
KH	15	150	US\$150
Goldprime	15	150	US\$150
KSH	15	150	US\$150
SC	10	100	US\$100
	<u>100</u>	<u>1,000</u>	<u>US\$1,000</u>

The Shareholders' Agreement provides for additional contribution by each Joint Venture Partner to LGB-NB in proportion to their respective shareholding percentages in LGB-NB, by way of debt or equity injection.

The Board of LGB-NB shall comprise six (6) directors elected from each of the Joint Venture Partners respectively.

The initial subscription of the shares in LGB-NB by CESV and any additional contribution in proportion to CESV’s shareholding in LGB-NB as may be requested by LGB-NB from time to time, will be funded through the Group’s internal resources and are 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 or controlling shareholders of the Company has any interest, direct or indirect, in the Shareholders' Agreement, other than through their respective shareholding interests in the Company.

Submitted by Hoon Tai Meng, Group Chief Executive Officer on 22 October 2015 to the SGX.