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## FURTHER INVESTMENT IN INVICTUS INTERNATIONAL SCHOOL PTE. LTD.

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### 1. INTRODUCTION

The Board of Directors (the "**Board**") of Chip Eng Seng Corporation Ltd. (the "**Company**") refers to the announcements made by the Company on 28 February 2019 and 12 April 2019 in relation to the investment in Invictus International School Pte. Ltd. (the "**Target**") by the Company's 70%-owned subsidiary, White Lodge Education Group Services Pte. Ltd. ("**White Lodge**").

The Board is pleased to announce that the Company has made a further investment in the Target (the "**Further Investment**"), through its wholly owned subsidiary, CES WL Pte. Ltd. ("**CES WL**").

### 2. PRINCIPAL TERMS OF THE FURTHER INVESTMENT

- (a) **Acquisition of Shares.** On 14 August 2019, CES WL entered into separate sale and purchase agreements with Khattar Holdings Private Limited ("**Khattar**") and John Anthony Fearon ("**John**") to acquire shares representing in aggregate approximately 10.15% of the issued share capital of the Target.

The abovementioned transfers of shares have been completed on the same day. Following the completion of the Further Investment, the shareholding of the Target is as follows:

Shareholder	Shareholding Percentage
White Lodge	64.64%
John	25.21%
CES WL	10.15%

Including its shareholding through White Lodge, the Company's effective interest in the Target has increased from approximately 45.25% to approximately 55.40%.

- (b) **Consideration.** The total consideration for the shares acquired from Khattar and John is S\$2,539,676.67. The consideration was arrived at on a willing-buyer, willing-seller basis, taking into account, the growth potential of the business of the Target.
- (c) **Resignation as Director.** Following the completion of the transfer by Khattar of all its shares in the Target, the director nominated by Khattar has resigned as a director of the Target.
- (d) **Amended and Restated Shareholders' Agreement and New Option to Subscribe.** In connection with the Further Investment, an amended and restated shareholders' agreement was entered into between CES WL, White Lodge and John to regulate their relationship *inter se* as shareholders of the Target, and the conduct of the business and affairs of the Target and its subsidiaries (the "**Amended and Restated SHA**"). Under the Amended and Restated SHA, the Target has granted to CES WL or its nominee an option (the "**Option**") to subscribe for up to 57,000 new ordinary shares in the Target (the "**Option Shares**") at the subscription price of S\$96.9694731 per Option Share. The Option is exercisable up to 30 June 2020.

### **3. RATIONALE OF THE FURTHER INVESTMENT**

As announced by the Company on 13 June 2019, the Target will be setting up an international kindergarten and international primary school in Hong Kong. The Target is now working on expanding its footprint to other markets, and will continue to leverage on the Company's resources and expertise to achieve its expansion plans. The Company thus wishes to increase its shareholding in the Target, through the Further Investment, to facilitate such plans on a quicker and wider scale.

### **4. FINANCIAL IMPACT**

The consideration for the shares in the Target acquired from Khattar and John was funded from internal cash resources.

The Further Investment is not expected to have a significant impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2019.

### **5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors, and to the best of the Directors' knowledge, none of the substantial shareholders of the Company, has any interest, direct or indirect, in the Further Investment, other than through their respective shareholdings and/or directorships, as the case may be, in the Company.

Submitted by Tan Tee How, Executive Director, on 14 August 2019 to SGX