



CHIP ENG SENG CORPORATION LTD.
Co. Reg. No. 199805196H

**INTERESTED PERSON TRANSACTIONS PURSUANT
TO RULE 905(2) OF THE LISTING MANUAL**

EXCHANGE OF CONTROLLING SHAREHOLDERS' EXISTING NOTES FOR NEW NOTES

1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the following:

- (a) the notice released by the Company and its wholly-owned subsidiary, CES Treasury Pte. Ltd. (“**CTPL**”) on 16 November 2021 titled “*Notice of Exchange Offer Exercise*” (the “**Notice**”);
- (b) the announcement released by the Company and CTPL on 29 November 2021 in relation to the results of the Exchange Offer (as defined below);
- (c) the announcement released by the Company and CTPL on 30 November 2021 in relation to the pricing of the Additional Notes (as defined below); and
- (d) the announcement released by the Company and CTPL on 6 December 2021 in relation to the settlement of the Exchange Offer and the issue of the New Notes (as defined below).

2. BACKGROUND ON EXCHANGE OFFER

As stated in the Notice, the Company and CTPL had on 16 November 2021 invited the holders of the outstanding 4.90 per cent. Notes due May 2022 comprised in Series 003 issued by the Company (the “**Series 003 Notes**”) and the holders of the outstanding 6.00 per cent. Notes due March 2022 comprised in Series 004 issued by CTPL and guaranteed by the Company (the “**Series 004 Notes**”, and together with the Series 003 Notes, the “**Existing Notes**”) to offer to exchange any and all Existing Notes for a like principal amount of Singapore dollar-denominated 6.50 per cent. Notes due 2024 (the “**New Notes**”) to be issued by CTPL pursuant to the S\$750,000,000 Multicurrency Debt Issuance Programme of the Company and CTPL (the “**Programme**”) (such invitation, the “**Exchange Offer**”). DBS Bank Ltd. was appointed as the sole dealer manager for the Exchange Offer.

Holders of the Existing Notes (the “**Noteholders**”) who have offered to exchange their Existing Notes (such notes, the “**Offered Notes**”), and which Offered Notes are accepted for exchange, are entitled to receive an exchange consideration comprising the sum of (i) a principal amount of New Notes equal to 100 per cent. of the principal amount of Offered Notes which have been accepted for exchange, (ii) an amount in cash equal to 0.25 per cent. of the principal amount of the Offered Notes, and (iii) an amount in cash equal to the amount of accrued and unpaid interest in respect of the Offered Notes which have been accepted for exchange from (and including) the immediately preceding interest payment date in respect of such Offered Notes to (and including) 5 December 2021 (collectively, the “**Exchange Consideration**”).

Following the close of the Exchange Offer on 29 November 2021, the Company and CTPL announced that S\$10,250,000 in aggregate principal amount of the Series 003 Notes and S\$61,000,000 in aggregate principal amount of the Series 004 Notes have been offered for exchange pursuant to the Exchange Offer and that such Offered Notes have been accepted for exchange. Following the cancellation of the Offered Notes on 6 December 2021, the aggregate principal amount of the Series

003 Notes outstanding is S\$15,000,000 and the aggregate principal amount of the Series 004 Notes outstanding is S\$39,000,000.

In addition to the exchange of Existing Notes for New Notes pursuant to the Exchange Offer, the Company and CTPL announced on 30 November 2021 that CTPL has launched and priced an additional S\$48,750,000 in aggregate principal amount of 6.50 per cent. Notes due 2024 (the “**Additional Notes**”) pursuant to the Programme to investors (regardless of whether they are Noteholders). DBS Bank Ltd. was appointed as the sole lead manager and bookrunner in relation to the Additional Notes. The New Notes and Additional Notes are fungible and are consolidated into the same series and tranche under the Programme as Series 005 (collectively, the “**Series 005 Notes**”). The Series 005 Notes have been issued on 6 December 2021.

3. RATIONALE FOR THE EXCHANGE OFFER

Given the impending redemption of the Existing Notes, the Company and CTPL had received indications of interest from major Noteholders (including controlling shareholders of the Company and/entities and/or persons related to procured by them) who would like to extend their bond investment and remained invested in the Group. The Company and CTPL had thus undertaken the Exchange Offer on the back of such investor interest. The purpose of the Exchange Offer is also part of the strategy of the Group to actively manage its debt capital structure by improving and extending its debt maturity profile and optimising financing costs.

4. INTERESTED PERSON TRANSACTIONS IN CONNECTION WITH THE EXCHANGE OFFER

(a) Interested Persons

Mr Gordon Tang and Mrs Celine Tang (together, “**GCT**”) are controlling shareholders (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”)) of the Company. Mrs Celine Tang is also the Non-Independent and Non-Executive Director and Non-Executive Chairman of the Company. GCT are thus interested persons of the Company.

GCT collectively held S\$27,750,000 in aggregate principal amount of the Series 004 Notes (the “**GCT Series 004 Notes**”). Pursuant to the Exchange Offer, all of the GCT Series 004 Notes were offered, and accepted, for exchange. The Exchange Consideration paid to GCT comprised (i) S\$27,750,000 in aggregate principal amount of the New Notes (the “**GCT New Notes**”), (ii) the exchange fee amounting to S\$69,375 (the “**GCT Exchange Fee**”), and (iii) interest accrued on the GCT Series 004 Notes from 15 September 2021 to 5 December 2021 amounting to S\$374,055 (the “**GCT Series 004 Notes Accrued Interest**”).

The participation by GCT in the Exchange Offer and the payment of the Exchange Consideration to GCT are interested person transactions (the “**GCT Exchange Offer IPTs**”).

As the value of the GCT Exchange Offer IPTs, when aggregated with all other interested person transactions entered into with GCT and their associates in the current financial year ending 31 December 2021 (“**FY2021**”), exceeds 3% of the Group’s latest audited net tangible assets, Rule 905(2) of the Listing Manual applies to the GCT Exchange Offer IPTs.

(b) Statement by Audit and Risk Committee

The Exchange Offer was extended to all Noteholders on the same terms and conditions. Further, Noteholders who elected to exchange their Existing Notes for the New Notes were issued the New Notes on the same terms.

Based on the above, and taking into consideration the rationale for the Exchange Offer, the Audit and Risk Committee of the Company is of the view that the acceptance of the exchange of the GCT Series

004 Notes and the payment of the Exchange Consideration to GCT are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders.

(c) Value of Interested Person Transactions

As at the date of this announcement, the current total of all interested person transactions with GCT and their associates for FY2021 is approximately S\$335,603,612 (including the GCT Exchange Fee, the GCT Series 004 Notes Accrued Interest and the total interest payable to GCT in respect of the GCT New Notes).

Approximately 97.9% of the aggregate value of all interested person transactions with GCT and their associates for FY2021 is attributable to transactions which fall within the scope of Rule 916(2) and Rule 916(3) of the Listing Manual. Such transactions are disclosed in the Company's announcements released on 7 May 2021, 19 May 2021, 24 August 2021, 8 November 2021 and 3 December 2021. The remaining value of approximately S\$7,079,925 is less than 5% of the Group's latest audited net tangible assets.

As at the date of this announcement, the current total of all interested person transactions of the Company for FY2021 is approximately S\$338,323,648.

5. OTHERS

Save as disclosed in this announcement and the announcement released on 29 November 2021 in relation to the results of the Exchange Offer, 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 GCT Exchange Offer IPTs.

Submitted by Chia Lee Meng Raymond, Executive Director and Group Chief Executive Officer, on 6 December 2021 to the SGX.