



**CHIP ENG SENG CORPORATION LTD.**

**Co. Reg. No. 199805196H**

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**ACQUISITION OF SHARES IN SPP SYSTEM PTE LTD BY CES-PRECAST PTE. LTD.**

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The Board of Directors of CHIP ENG SENG CORPORATION LTD. (the "**Company**") is pleased to announce that CES-Precast Pte. Ltd., a wholly owned subsidiary of the Company, has today entered into a sale and purchase agreement with Mr Chan Tuck Cheong, the sole shareholder of SPP System Pte Ltd ("**SPP**"), and has completed the acquisition of 100 issued and paid-up ordinary shares in the capital of SPP ("**Sale Shares**"), representing 100% of the issued and paid-up ordinary shares in SPP, for an aggregate cash consideration of S\$1,800,000/- (the "**Acquisition**"). Following completion of the Acquisition, SPP has become a subsidiary of CES-Precast Pte. Ltd.

SPP is a company incorporated in Singapore and is in the business of modular building construction. The Directors believes that the Acquisition will complement the Company's existing building construction business and will place it in a better position to tender for projects.

The purchase consideration for the Acquisition was arrived at on a willing seller willing buyer basis and was funded by internal cash resources.

The Acquisition is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Company for the financial year ending 31 December 2016.

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

Submitted by Hoon Tai Meng, Executive Director on 16 August 2016 to the SGX-ST.