



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

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## TERMINATION OF HOTEL MANAGEMENT AGREEMENT FOR PARK HOTEL ALEXANDRA

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### 1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, CELA-Alexandra Pte. Ltd. ("**CELA**") has today served a termination notice on Park Hotel Group Management Pte. Ltd. ("**PHGMPL**"), the operator of the hotel located at 323 Alexandra Road in Singapore (the "**Hotel**").

The Hotel is wholly-owned by CELA and has been in operation since 2015.

### 2. TERMINATION DATE

Pursuant to the terms of the hotel management agreement for the Hotel (the "**HMA**"), CELA has given six months' termination notice to PHGMPL. Under the terms of the HMA, PHGMPL is obliged to peacefully vacate and surrender the Hotel to CELA on the expiry of the termination notice.

### 3. POST-TERMINATION PLANS

After the expiry of the termination notice, the Hotel will be temporarily closed for refurbishment and will be rebranded. A new operator will be appointed to manage the Hotel under the new brand. The Company expects that the Hotel will reopen for business under the new brand around the first quarter of 2023.

The Company will make a further announcement when there is any material development.

### 4. FINANCIAL IMPACT

The costs and expenses to be incurred in connection with the termination of the HMA and the subsequent temporary closure of the Hotel for refurbishment will reduce the revenue contribution from CELA to the Group for the current financial year ending 31 December 2022 ("**FY2022**"). However, such reduction in contribution is not expected to significantly impact the net tangible assets and earnings per share of the Company for FY2022.

### 5. OTHERS

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

Submitted by Chia Lee Meng Raymond, Executive Director and Group Chief Executive Officer, on 25 February 2022 to the SGX-ST.