



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

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## PROPOSED ACQUISITION OF MINORITY INTEREST IN PROPERTY AT 8 SHENTON WAY

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### 1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd. (the "**Company**") wishes to announce that its wholly-owned subsidiary, CEL Shenton Pte. Ltd. ("**CEL Shenton**"), has entered into a share purchase agreement (the "**SPA**") to acquire (the "**Proposed Acquisition**") a minority interest in the real estate development located at 8 Shenton Way, Singapore 068811 (the "**Property**").

### 2. THE PROPOSED ACQUISITION

On 4 April 2022, CEL Shenton entered into the SPA with Kuok (Singapore) Limited, Shenton Circle Pte. Ltd., Imagine Properties Pte. Ltd., PE One Pte. Ltd., and Huatland Development Pte. Ltd. (collectively, the "**Sellers**"), to acquire from the Sellers 21.0% of the issued share capital in PRE 13 Pte. Ltd. (the "**Target Company**") for a consideration of approximately S\$2.13 million (the "**Consideration**"). In connection with the Proposed Acquisition, CEL Shenton will take over a proportionate principal amount of the shareholders' loans granted by the Sellers to the Target Company and will also commit to contribute its proportionate share of additional shareholders' loans required for, among other things, the redevelopment of the Property and other capital or funding requirements of the Group Companies (as defined below), in the approximate aggregate amount not exceeding S\$251.0 million.

The Consideration was negotiated on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the net asset value of the Target Company as at 28 February 2022, the redevelopment potential of the Property and the marketability of the new development. Please refer to paragraph 4 below for further details on the redevelopment plans for the Property. The Consideration will be subject to post-completion adjustments for the adjusted net asset value of the Target Company on completion of the Proposed Acquisition ("**Completion**").

Sing-Haiyi Emerald Pte. Ltd. ("**SHEPL**") had also, on 4 April 2022, entered into a separate share purchase agreement with the Sellers to acquire 21.0% of the issued share capital in the Target Company at the same consideration as CEL Shenton. Similar to CEL Shenton, SHEPL will take over a proportionate principal amount of the shareholders' loans granted by the Sellers to the Target Company and will also commit to contribute their proportionate share of additional shareholders' loans required for the redevelopment of the Property and other capital or funding requirements of the Group Companies (as defined below). The acquisition by each of CEL Shenton and SHEPL is not inter-conditional on the other.

Subject to Completion, CEL Shenton and SHEPL will collectively hold 42.0% of the issued share capital in the Target Company. The remaining 58.0% of the issued share capital in the Target Company will be held by the remaining shareholders of the Target Company, being Perennial Singapore Investment Holdings Pte. Ltd., Piermont Holdings Limited, and HPRY Holdings Limited (collectively, the

"**Remaining Shareholders**"). Further, each of CEL Shenton and SHEPL will hold an effective interest of 10.5% in the Property.

### **3. INFORMATION ON THE TARGET COMPANY AND THE REMAINING SHAREHOLDERS**

As at the date of this announcement, the Target Company has an effective interest of 50.0% in the Property. Please refer to paragraph 4 below for further details.

Perennial Singapore Investment Holdings Pte. Ltd., which holds a 20.0% equity interest in the Target Company, is a wholly-owned subsidiary of Perennial Holdings Private Limited ("**Perennial**"), which is an integrated real estate and healthcare company headquartered in Singapore. Perennial and its subsidiaries (the "**Perennial Group**") has invested in and/or manages developments such as the Property, Capitol Singapore, CHIJMES, Chinatown Point, Perennial Business City and Caldecott Hill site, located in the Civic District, Central Business District, Jurong Lake District and premium residential areas in Singapore.

Piermont Holdings Limited, which holds a 18.0% equity interest in the Target Company, is a wholly-owned subsidiary of Wilmar International Limited, an agribusiness company listed on the Main Board of the Singapore Exchange Securities Trading Limited.

HPRY Holdings Limited, which holds a 20.0% equity interest in the Target Company, is wholly-owned by Mr Kuok Khoon Hong, a director and controlling shareholder of Perennial.

### **4. INFORMATION ON THE PROPERTY AND PROPOSED REDEVELOPMENT**

The Property is owned by Perennial Shenton Property Pte. Ltd. (the "**PropCo**"), which is the wholly-owned subsidiary of Perennial Shenton Holding Pte. Ltd. (the "**Prop HoldCo**"), and collectively with the Target Company and the PropCo, the "**Group Companies**"). The Target Company holds 50% of the issued share capital in the Prop HoldCo, while the remaining 50% of the issued share capital in the Prop HoldCo is held by Alibaba Singapore Holding Private Limited.

The Property has a total site area of approximately 10,983.80 square metres, and has a 99-year leasehold land tenure starting from 19 July 1982. Subject to relevant approvals being obtained (including approval for a fresh 99 years lease), it is intended that the Property will be redeveloped into a mixed-use commercial and residential development, comprising office, retail, hotel and residential components, with a maximum allowable gross floor area of 144,162.38 square metres and a gross plot ratio of 13.125. It is also expected that the Perennial Group will continue to provide property management and asset management services in respect of the Property.

The Property, when redeveloped, will provide visitors to and workers in the Central Business District with a quality mixed-use development for work and leisure, with convenient access to major expressways and public transportation connecting the Property to the rest of Singapore.

## 5. CONDITIONS PRECEDENT

Completion is subject to satisfaction or waiver of certain conditions precedent, including, satisfactory legal, tax, financial, commercial and technical due diligence and the receipt of relevant third party consents to the Proposed Acquisition. Completion is expected to take place in end-April.

## 6. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition presents an opportunity for the Company to acquire a meaningful stake in a prime real estate site located within the Central Business District. Furthermore, the Company is able to participate in a large-scale redevelopment project which, when completed, is expected to be an iconic landmark within the Central Business District. The project will add to the pipeline of the Company's property development projects in Singapore. By participating in a large-scale redevelopment project with other partners, the Company will also be able to mitigate its financial and execution risks.

## 7. INTERESTED PERSON TRANSACTION

As at the date of this announcement:

- (i) Mr Gordan Tang and Mrs Celine Tang (collectively, "**GCT**") are controlling shareholders of the Company. Mrs Celine Tang is also the Non-Independent and Non-Executive Director and the Non-Executive Chairman of the Company; and
- (ii) GCT, through intermediate holding companies, collectively have an interest in all the shares of SHEPL.

SHEPL is thus GCT's associate (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**")). In connection with the Proposed Acquisition, CEL Shenton, SHEPL, the Remaining Shareholders and the Target Company will on Completion enter into a shareholders' agreement (the "**PRE 13 Shareholders' Agreement**") to govern the affairs of the Target Company.

The entry by CEL Shenton and SHEPL into the PRE 13 Shareholders' Agreement will constitute an interested person transaction of the Company for the purposes of Chapter 9 of the Listing Manual. The Audit Committee of the Company will provide its views pursuant to Rule 916(2) of the Listing Manual on the terms of the PRE 13 Shareholders' Agreement on or prior to execution of the PRE 13 Shareholders' Agreement on Completion.

## 8. FINANCIAL IMPACT

The Proposed Acquisition will be funded by CEL Shenton from internal cash sources. CEL Shenton's pro rata share of the equity portion of the total redevelopment costs for the Property will be funded from internal cash sources and/or bank borrowings. The Proposed Acquisition is not expected to have a material impact on the net tangible assets and earning per share of the Company for the current financial year ending 31 December 2022.

## **9. OTHERS**

Save as disclosed in this announcement, none of the Directors and, to the best of the knowledge of the Directors, none of the controlling and substantial shareholders of the Company has any direct or indirect interest in the Proposed Acquisition, 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 5 April 2022 to the SGX.