



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

INTERESTED PERSON TRANSACTION CAPITALISATION OF SHAREHOLDERS' LOANS TO JOINT VENTURE COMPANY

1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd. (the "**Company**") refers to the Company's announcements released on 28 July 2022 (*Enbloc Acquisition of Park View Mansions Through Joint Tender*) and 5 August 2022 (*Enbloc Acquisition of Park View Mansions; Interested Person Transactions – Incorporation of Joint Venture Company and Provision of Shareholders' Loans to Joint Venture Company*) (collectively, the "**Earlier PVM Announcements**").

Unless otherwise stated, terms defined in the Earlier PVM Announcements shall have the same meaning in this announcement.

2. UPDATE ON INVESTMENT IN THE PROJECT

On 6 March 2023, the JV Partners capitalised a portion of the Shareholders' Loans provided to the JV Company amounting to an aggregate of S\$3,999,990 (the "**Capitalisation**"), in accordance with their respective Participation Proportions. The respective shareholding percentages of CEL, SHPPL and TK189 in the JV Company remain unchanged.

The rationale for the Capitalisation is so that the JV Company will meet the prescribed issued and paid-up capital requirements under the Housing Developer Rules for the purposes of applying to the Urban Redevelopment Authority for a sale licence.

3. INTERESTED PERSON TRANSACTION

(a) Rule 916(2) of the Listing Manual – Investment in Joint Venture

In relation to the Capitalisation, as mentioned in the 28 July 2022 Announcement, the investment by CEL and SHPPL in the Project constitutes an interested person transaction of the Company for purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**").

As mentioned above, the Capitalisation is in accordance with the respective Participation Proportions of the JV Partners in the JV Company.

None of GCT or their associates had any existing equity interest in the Joint Venture prior to the participation of CEL in the Joint Venture.

Accordingly, the Audit and Risk Committee of the Company is of the view that:

- (i) the risks and rewards relating to the Capitalisation are in proportion to the equity of each JV Partner in the Joint Venture; and
- (ii) the Capitalisation is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

(b) Value of Interested Person Transaction

As at the date of this announcement:

- (i) the current total of all interested person transactions with GCT and their associates for the current financial year ending 31 December 2023 (“FY2023”) is approximately S\$589.9 million;
- (ii) approximately 99.9% of the aggregate value of all interested person transactions with GCT and their associates for FY2023 is attributable to the transactions which fall within the scope of Rule 916 of the Listing Manual. The remaining value of approximately S\$503,000 is less than 5.0% of the latest audited net tangible assets of the Company and its subsidiaries; and
- (iii) the current total of all interested person transactions of the Company for FY2023 is approximately S\$589.9 million.

4. FINANCIAL IMPACT

The Company’s investment in the Project is not expected to have a material impact on the net tangible assets and earning per share of the Company for FY2023.

5. OTHERS

Save as disclosed in the Earlier PVM Announcements and in this announcement, 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 Project, 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 17 March 2023 to the SGX.