



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

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## INTERESTED PERSON TRANSACTION CAPITALISATION OF SHAREHOLDERS' LOANS TO JOINT VENTURE COMPANIES

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### 1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd. (the "**Company**") refers to the Company's announcements released on 7 May 2021 (*Enbloc Acquisition of Maxwell House Through Joint Tender*), 24 August 2021 (*Interested Person Transaction – Provision of Shareholders' Loans to Joint Venture Companies*) and 28 October 2022 (*Interested Person Transaction – Provision of Shareholders' Loans to Joint Venture Companies*) (collectively, the "**Earlier MH Announcements**").

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

### 2. UPDATE ON INVESTMENT IN THE PROJECT

On 7 September 2022, the JV Partners capitalised a portion of the Shareholders' Loans provided to the JV Companies amounting to an aggregate of S\$2,999,990 for each JV Company (the "**Capitalisation**"), in accordance with their respective Participation Proportions. The respective shareholding percentages of CEL, SHIPL and CIPL in the JV Companies remain unchanged.

The rationale for the Capitalisation is so that the JV Companies 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 7 May 2021 Announcement, the investment by CEL and SHIPL 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 Companies.

None of the Controlling Shareholders 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 the Controlling Shareholders and their associates for FY2022 is approximately S\$304.9 million;
- (ii) approximately 99.9% of the aggregate value of all interested person transactions with the Controlling Shareholders and their associates for FY2022 is attributable to the transactions which fall within the scope of Rule 916(2), Rule 916(3) and Rule 916(5) of the Listing Manual. The remaining value of approximately S\$229,000 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 FY2022 is approximately S\$305.4 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 FY2022.

**5. OTHERS**

Save as disclosed in the Earlier MH 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 8 November 2022 to the SGX.