



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

ACQUISITION OF REMAINING 30 PER CENT. SHAREHOLDING IN WHITE LODGE EDUCATION GROUP SERVICES PTE. LTD.

1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd. (the “**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Sing-Ed Asia Pte. Ltd. (“**Sing-Ed Asia**”), has on 21 October 2021 entered into a share purchase agreement with Mr Ganesh Kanapathy and Ms Jayne Nadarajoo (together, the “**Sellers**”) to acquire all of the Sellers’ shares (the “**Sale Shares**”) in White Lodge Education Group Services Pte. Ltd. (“**WLEGS**”) (the “**Acquisition**”).

Completion of the Acquisition (“**Completion**”) has taken place on the same day.

2. CHANGE IN SHAREHOLDING AS A RESULT OF THE ACQUISITION

The Sale Shares represent 30 per cent. of the issued share capital of WLEGS, while CES WL Pte. Ltd., another wholly-owned subsidiary of the Company, owns the remaining 70 per cent. of the issued share capital of WLEGS.

Prior to the Acquisition, the Sellers also held an approximately 7.35% effective interest in the Company’s subsidiary, Invictus International Pte. Ltd. (“**Invictus International**”) through their shareholding in WLEGS. The Company held the remaining 92.65% effective interest in Invictus International.

Following Completion, WLEGS and its subsidiaries (collectively, the “**White Lodge Group**”) and Invictus International and its subsidiaries (collectively, the “**Invictus Group**”) are now wholly-owned by the Company.

3. PRINCIPAL TERMS OF THE ACQUISITION

- (a) **Consideration.** The total consideration for the Sale Shares is S\$2,700,000 (the “**Purchase Price**”), which has been paid in cash to the Sellers on Completion. The Purchase Price was arrived at on a willing-buyer, willing-seller basis, taking into consideration among other things, the Company’s assessment of the business, earnings and prospects of the White Lodge Group.
- (b) **Value of Sale Shares.** Based on the latest unaudited management accounts of WLEGS as at 30 September 2021, the net asset value attributable to the Sale Shares is approximately negative S\$2.4 million.
- (c) **Resignation as Directors.** The Sellers have resigned from their directorships within the White Lodge Group on Completion.

4. RATIONALE FOR THE ACQUISITION

The Acquisition has resulted in the White Lodge Group and the Invictus Group becoming wholly-owned by the Company. The Company will then be in a position to rationalise and

strengthen the branding and growth of all its preschools, including those currently under the White Lodge brand.

5. FINANCIAL IMPACT

The Purchase Price was funded from internal cash resources.

The Acquisition is not expected to have a significant impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2021.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

Submitted by Tan Tee How, Executive Director, on 21 October 2021 to the SGX.