



CHIP ENG SENG CORPORATION LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199805196H)

ACQUISITION OF AN ISLAND RESORT IN MALDIVES AND THE INCORPORATION OF JOINT VENTURE COMPANIES

The Board of Directors (the "**Board**") of **CHIP ENG SENG CORPORATION LTD** (the "**Company**") is pleased to announce the acquisition of an island resort in the Republic of Maldives and the incorporation of joint venture entities in conjunction with the acquisition.

(1) Incorporation of joint venture companies

CEL DEVELOPMENT PTE. LTD., ("**CEL**") a wholly owned subsidiary of the Company has today entered into a joint venture agreement (the "**JVA**") with GRAND PARK MALDIVES PTE. LTD. ("**Park**"), an affiliate of Park Hotel Management Pte. Ltd.

Pursuant to the JVA, CES PARK (MALDIVES) PTE. LTD. (the "**Singapore JV Company**") was incorporated in the Republic of Singapore and a wholly owned subsidiary of the Singapore JV Company named CES PARK KODHIPPARU PVT LTD ("**Maldives JV Company**") will be incorporated in the Republic of Maldives. The Singapore JV Company has an initial issued and paid up capital of US\$10,000 divided into 10,000 ordinary shares which were subscribed, paid up and owned by CEL and Park as follows:

- (i) CEL : 7,000 shares representing 70% of the total paid-up shares in the Singapore JV Company; and
- (ii) Park : 3,000 shares representing 30% of the total paid-up shares in the Singapore JV Company.

Both the Singapore JV Company and the Maldives JV Company will be subsidiaries of the Company.

(2) Acquisition of the Kodhipparu Island Resort (the "Acquisition")

The Singapore JV Company has entered into a sale and purchase agreement (the "**SPA**") with Kodhipparu Investment Private Limited, an entity incorporated in the Republic of Maldives and the owner of the Kodhipparu Island Resort (the "**Kodhipparu Island Resort**"), for the acquisition of the Kodhipparu Island Resort at a purchase price of USD 65 million (the "**Purchase Price**"). The Kodhipparu Island Resort is newly built on land that is leased from the Government of the Republic of Maldives under a 50-year lease, commencing 30 September 2013. The Acquisition will be completed not later than 28 February 2017. Upon completion, the Kodhipparu Island Resort will be owned by the Maldives JV Company.

The Singapore JV Company has also entered into a hotel management agreement pursuant to which Park Hotel Management Pte. Ltd. is appointed the manager of the Kodhipparu Island Resort.

The Kodhipparu Island Resort has 120 villas and is a 15-minute speedboat ride from Malé International Airport. The Kodhipparu Island Resort is expected to open in the second quarter of 2017.

The Purchase Price will be financed by internal resources and bank borrowings.

The Acquisition is not expected to have any material impact on the Group's earnings and the net tangible assets of the Group for the current financial year ending 31 December 2016.

None of the Directors and to the best knowledge of the Directors, none of the substantial shareholders or controlling shareholders of the Company has any interest, direct or indirect in the above transaction.

BY ORDER OF THE BOARD

Hoon Tai Meng
Executive Director
6 October 2016