



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

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## TERMINATION OF INVESTMENT IN A REAL ESTATE DEVELOPMENT PROJECT IN TAICANG CITY, THE PEOPLE'S REPUBLIC OF CHINA

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### 1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd. (the "**Company**") refers to the announcement released on 14 June 2019 (*Proposed Investment in a Real Estate Development Project in Taicang City, the People's Republic of China*) (the "**14 June 2019 Announcement**"), in relation to the proposed joint investment (the "**Investment**") by the Company (through its wholly-owned subsidiary) and Haiyi Shantou Investment Group Co., Ltd (汕头市海逸投资 (集团) 有限公司) ("**Haiyi Investment**") in Taicang Jianianhua Real Estate Development Co., Ltd (太仓嘉年华房地产开发有限公司) (the "**Project Co**").

Unless otherwise stated, terms defined in the 14 June 2019 Announcement shall have the same meaning in this announcement.

### 2. TERMINATION OF THE INVESTMENT

As mentioned in the 14 June 2019 Announcement, the Investment was structured to be carried out in four stages. Pursuant to the Master Framework Agreement:

- (a) the Tranche One Loan (being the first stage of the Investment) would be disbursed when Project Co satisfies the conditions precedent set out therein in the Master Framework Agreement for the disbursement of such loan (the "**Conditions Precedent**"); and
- (b) if the Conditions Precedent are not satisfied by the long-stop date stipulated in the Master Framework Agreement (the "**Long-Stop Date**"), the Company and Haiyi Investment have the right to terminate the Master Framework Agreement.

As a number of the Conditions Precedent have not been satisfied by the Long-Stop Date, the Company and Haiyi Investment have terminated the Investment on 15 May 2020.

For the avoidance of doubt, no funds have been injected by the Company or Haiyi Investment into Project Co.

### 3. FINANCIAL IMPACT

The termination of the Investment will not have a significant impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2020.

### 4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As mentioned in the 14 June 2019 Announcement, Haiyi Investment is an associate (as defined in the Listing Manual) of Mr Gordon Tang and Mrs Celine Tang, who are the controlling shareholders (as defined in the Listing Manual) of the Company. Mrs Celine Tang is also the Non-Independent and Non-Executive Director and the Non-Executive Chairman of the Company. Haiyi Investment is thus an interested person of the Company, and the Investment constituted

an interested person transaction of the Company, for the purposes of Chapter 9 of the Listing Manual.

Save as disclosed in the foregoing and in the 14 June 2019 Announcement, none of the Directors and, to the best knowledge of the Directors, none of the controlling and substantial shareholders of the Company, had any direct or indirect interest in the Investment.

Submitted by Chia Lee Meng Raymond, Executive Director and Group Chief Executive Officer, on 15 May 2020 to the SGX.