



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

INTERESTED PERSON TRANSACTION PROVISION OF SHAREHOLDERS' LOANS TO JOINT VENTURE COMPANIES

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*) and 24 August 2021 (*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. INCREASE OF LOAN FACILITY BY JOINT VENTURE PARTNERS

On 24 August 2021, the JV Partners entered into a Loan Agreement with the JV Companies to provide the JV Companies collectively a loan facility up to an aggregate principal amount of S\$120 million (the "**Original Loan Facility**").

The JV Partners have today entered into an agreement to amend the Loan Agreement to increase the Original Loan Facility to S\$147 million (the "**Revised Loan Facility**"). Save for the foregoing, there is no change to the terms of the Loan Agreement. Please refer to the announcement released on 24 August 2021 for the key terms of the Loan Agreement.

3. INTERESTED PERSON TRANSACTION

(a) Rule 916(3) of the Listing Manual – Provision of Revised Loan Facility by JV Partners

As mentioned in the announcement released on 24 August 2021, the provision by the Company of any Shareholders' Loan under the Loan Agreement to the JV Companies constitutes an interested person transaction for the purposes of Chapter 9 of the Listing Manual.

Each Shareholders' Loan under the Revised Loan Facility will be extended by each of the JV Partners according to their respective shareholding percentages in the JV Companies. As at the date of this announcement, CEL, SHIPL and CIPL hold 40%, 30% and 30% respectively in the share capital of each JV Company.

In addition, each Shareholders' Loan shall be extended by each of the JV Partners on the same terms and conditions, including the interest rate to be accrued on the loan.

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 provision of each Shareholders' Loan under the Revised Loan Facility is not prejudicial to the interests of the Company and its minority shareholders; and

- (ii) the risks and rewards for each JV Partner are in proportion to the equity of each JV Partner in the Joint Venture and the terms and conditions relating to the Revised Loan Facility are not prejudicial to the interests of the Company and its minority shareholders.

(b) Value of Interested Person Transactions

As at the date of this announcement, the current total of all interested person transactions with the Controlling Shareholders and their associates for the financial year ending 31 December 2022 (“FY2022”) is approximately S\$300.2 million. Approximately 99.9% of the aggregate value of the interested person transactions with the Controlling Shareholders and their associates is attributable to transactions which fall within the scope of Rule 916(2) and Rule 916(3) of the Listing Manual. The remaining value of approximately S\$224,000 is less than 5% of the latest audited net tangible assets of the Company and its subsidiaries.

As at the date of this announcement, the current total of all interested person transactions of the Company for FY2022 is approximately S\$300.7 million.

4. FINANCIAL IMPACT

The provision by CEL of its proportionate share of each Shareholders’ Loan under the Revised Loan Facility will be funded from internal cash resources.

The Company’s investment in the Project is not expected to have a material impact on the net tangible assets and earnings 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 28 October 2022 to the SGX.