

MANDATORY CONDITIONAL CASH OFFER

by



UNITED OVERSEAS BANK LIMITED
(Company Registration No.: 193500026Z)
(Incorporated in Singapore)

for and on behalf of

TANG DYNASTY TREASURE PTE. LTD.
(Company Registration No.: 202235991H)
(Incorporated in Singapore)

to acquire all the issued and paid-up ordinary shares in the share capital of

CHIP ENG SENG CORPORATION LTD.
(Company Registration No.: 199805196H)
(Incorporated in Singapore)

REVISION OF OFFER CONSIDERATION AND NO FURTHER PRICE INCREASE

1. INTRODUCTION

United Overseas Bank Limited ("**UOB**") refers to:

- (a) the announcement dated 24 November 2022 (the "**Offer Announcement**") issued by UOB, for and on behalf of Tang Dynasty Treasure Pte. Ltd. (the "**Offeror**"), in connection with the voluntary conditional cash offer (the "**Offer**") in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Chip Eng Seng Corporation Ltd. (the "**Company**"), other than those Shares held by the Company as treasury shares; and
- (b) the announcement dated 25 November 2022 ("**MGO Conversion Announcement**") issued by UOB, for and on behalf of the Offeror, in relation to, *inter alia*, the conversion of the voluntary conditional cash offer for the Offer Shares to a mandatory conditional cash offer ("**MGO**"). References to the "**Offer**" in this Announcement shall hereafter be taken to refer to the MGO.

All capitalised terms used but not defined in this announcement (this "**Announcement**") shall have the same meanings given to them in the Offer Announcement, unless otherwise expressly stated or the context otherwise requires.

2. **REVISION OF OFFER CONSIDERATION**

UOB wishes to announce, for and on behalf of the Offeror, that the Offeror is revising the Offer Consideration as follows:

For each Offer Share: S\$0.75 in cash (the "Final Offer Consideration")

UOB wishes to announce, for and on behalf of the Offeror, that the Offeror does not intend to revise the Final Offer Consideration, save that the Offeror reserves the right to do so in a competitive situation.

Save as disclosed in this Announcement, all the other terms and conditions of the Offer as set out in the Offer Announcement and the MGO Conversion Announcement remain unchanged.

3. **FINANCIAL EVALUATION OF THE FINAL OFFER CONSIDERATION**

The Final Offer Consideration of S\$0.75 represents an increase of S\$0.03 or approximately 4.2% over the initial Offer Consideration of S\$0.72 per Offer Share.

The Final Offer Consideration exceeds the highest closing price of the Shares in the three (3)-year period prior to and including the Holding Announcement Date. The Final Offer Consideration represents the following premia over the historical traded prices of the Shares:

Description	Benchmark Price (S\$)^{(1) (2)}	Premium of the Final Offer Consideration over Benchmark Price (%)⁽³⁾
Last transacted price per Share on 7 September 2022, being the date the Company issued a holding announcement (the " <u>Holding Announcement Date</u> ")	0.710	5.6
Lowest closing price of the Shares traded on the SGX-ST for the three (3)-year period prior to and including the Holding Announcement Date	0.400	87.5
Highest closing price of the Shares traded on the SGX-ST for the three (3)-year period prior to and including the Holding Announcement Date	0.710	5.6
The volume weighted average price (" <u>VWAP</u> ") of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Holding Announcement Date	0.663	13.1
VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Holding Announcement Date	0.593	26.5

Description	Benchmark Price (S\$) ^{(1) (2)}	Premium of the Final Offer Consideration over Benchmark Price (%) ⁽³⁾
VWAP of the Shares traded on the SGX-ST for the six (6)-month period prior to and including the Holding Announcement Date	0.561	33.7
VWAP of the Shares traded on the SGX-ST for the 12-month period prior to and including the Holding Announcement Date	0.526	42.6
VWAP of the Shares traded on the SGX-ST for the 24-month period prior to and including the Holding Announcement Date	0.499	50.3
Issue price of rights shares allotted and issued pursuant to a rights issue undertaken by the Company in 2019	0.630	19.0

Notes:

- (1) The figures set out in the table above are based on data extracted from Bloomberg Finance L.P..
- (2) Rounded to the nearest three (3) decimal places.
- (3) The premium over benchmark price was rounded to the nearest one (1) decimal place.

4. RATIONALE FOR THE FINAL OFFER CONSIDERATION

The Offeror is of the view that the Final Offer Consideration reinforces the attractive exit opportunity for Shareholders, to realise their entire investment in cash at a compelling premium over historical traded prices of the Shares prior to the Holding Announcement Date amidst ongoing market volatility, without incurring brokerage and other trading costs. The Offer remains, at present, the only offer available for acceptance by Shareholders to realise their investment in the Company.

5. OFFER DOCUMENT

The Offer Document setting out the full terms and conditions of the revised Offer (including the Final Offer Consideration) and enclosing the relevant form(s) of acceptance (the "**Acceptance Forms**") will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date. The Offer will remain open for acceptances for a period of at least 28 days from the date of posting of the Offer Document.

In the meantime, Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in their Shares, pending receipt of the Offer Document.

6. **NO ACCEPTANCES**

Pursuant to Rule 28.1 of the Code, UOB wishes to announce, for and on behalf of the Offeror, that:

- (a) **No acceptances of the Offer.** As the Offer Document and Acceptance Forms have not yet been despatched to Shareholders, the Offeror has not received any acceptances of the Offer.
- (b) **Shares held as at the Holding Announcement Date.** As at the Holding Announcement Date:
 - (i) the Offeror did not hold any Shares; and
 - (ii) persons acting or deemed to be acting in concert with the Offeror (the "**Offeror's Concert Parties**") collectively owned or controlled an aggregate of 325,220,403 Shares¹, representing approximately 41.47% of the total number of Shares.
- (c) **Shares acquired or agreed to be acquired after the Holding Announcement Date and up to 6.00 p.m. (Singapore time) on 2 December 2022.** Following the Holding Announcement Date and up to 6.00 p.m. (Singapore time) on 2 December 2022, save for the acquisition by the Sponsors of 70,725,000 Shares (including the acquisition of 25,227,500 Shares from Senz Holdings Limited), representing approximately 9.02% of the total number of Shares, the Offeror and the Offeror's Concert Parties have not acquired or agreed to acquire any Shares.

7. **RESULTANT SHAREHOLDING**

Accordingly, as at 6.00 p.m. (Singapore time) on 2 December 2022, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and the Offeror's Concert Parties amount to an aggregate of 370,717,903 Shares, representing approximately 47.27% of the total number of issued Shares and approximately 45.53% of the maximum potential issued share capital of the Company.

8. **CONFIRMATION OF FINANCIAL RESOURCES**

DBS confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares, excluding the consideration payable in respect of the Sponsors' Shares, on the basis of the Final Offer Consideration.

¹ Further to the Offer Announcement, the Offeror has made enquiries with persons acting or deemed to be acting in concert with the Offeror in respect of any interests in securities of the Company held by such persons. The number of Shares held by persons acting or deemed to be acting in concert with the Offeror is based on the information obtained by the Offeror in connection with the abovementioned enquiries as at the date of this Announcement.

9. **PROCEDURES FOR ACCEPTANCE**

The Offer Document and Acceptance Forms will be despatched not earlier than 14 days and not later than 21 days from the Offer Announcement Date. The procedures for acceptance of the Offer will be set out in the Offer Document and Acceptance Forms. Shareholders who wish to accept the Offer may do so by completing and returning the relevant Acceptance Form(s) not later than 5.30 p.m. (Singapore time) on the closing date of the Offer, details of which will be set out in the Offer Document.

Shareholders who validly accept the Offer are entitled to receive the Final Offer Consideration, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms.

Shareholders who are in any doubt about the Offer should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

10. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to the Company) are fair and accurate and that there are no other material facts in relation thereto not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Issued by
UNITED OVERSEAS BANK LIMITED

For and on behalf of
TANG DYNASTY TREASURE PTE. LTD.

2 December 2022

Any enquiries relating to this Announcement or the Offer should be directed during office hours to the UOB helpline at (65) 6539 7066.

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor UOB undertakes any obligation to update publicly or revise any forward-looking statements.