



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

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL

The Board of Directors of Chip Eng Seng Corporation Ltd. (the “**Company**”) wishes to announce the following changes that occurred during the 6-month financial period ended 31 December 2020:

(A) Incorporation of Subsidiary

On 26 August 2020, the Company announced (*Joint Venture with Dongguan Duowei Education Technology Co., Ltd.*) that its wholly-owned subsidiary, CES Education (China) Pte. Ltd. (“**CES Edu (China)**”) and its joint venture partner, Dongguan Duowei Education Technology Co., Ltd. (东莞多维教育科技有限公司) (“**Dongguan Duowei**”) will be incorporating a joint venture company, Jiduo Hao Education Technology (Shenzhen) Co., Ltd. (集多好教育科技(深圳)有限公司) (the “**JV Co**”) in the People’s Republic of China.

The JV Co was established on 28 October 2020, with a registered capital of RMB10 million. CES Edu China and Dongguan Duowei will contribute towards the registered capital proportionate to their equity interest.

CES Edu (China) holds 60.0% of the equity interest in the JV Co, while Dongguan Duowei holds the remaining 40.0%. The JV Co is thus a subsidiary of the Company.

(B) Acquisition of Subsidiaries

On 30 December 2020, the Company announced (*Acquisition of Boustead Salcon Water Solutions Pte. Ltd.*) that its wholly-owned subsidiary, Chip Eng Seng Construction Pte. Ltd. had acquired 100% of the issued and paid-up share capital of Boustead Salcon Water Solutions Pte. Ltd. (“**BSWS**”) from Boustead Singapore Limited (the “**Seller**”).

As at 30 December 2020, BSWS has shareholding interests in the following companies:

- (a) 55.0% of the shares in H+E Technologies Pte. Ltd., a company incorporated in Singapore. The remaining 45.0% of the shares in H+E Technologies Pte. Ltd. is held by BSWS’ joint venture partner, Hager + Elsaesser Asia Pte. Ltd.;
- (b) 99.99% of the shares in Boustead Salcon Processes Private Limited (a company incorporated in India); and
- (c) 49.0% of the shares in Salcon-Thai Company Limited (a company incorporated in Thailand).

As part of the acquisition, the Seller has entered into a buyback agreement with BSWS, pursuant to which the Seller shall buy back Boustead Salcon Processes Private Limited and Salcon-Thai Company Limited from BSWS. Completion of the buyback of the aforementioned two entities is still in progress.

(C) Changes in Shareholding

1. Invictus International School Pte. Ltd. (“**Invictus International**”)

The following shareholding changes have taken place with respect to the Company’s subsidiary, Invictus International:

- (a) as announced by the Company on 9 October 2020 (*Further Investment in Invictus International School Pte. Ltd.*) (the “**9 October 2020 Announcement**”), the Company’s effective interest in Invictus International increased from approximately 70.06% to approximately 89.58%. The increase resulted from the acquisition of all the shares in Invictus International held by John Anthony Fearon (the “**Sale Shares**”) and the subscription of 86,000 Subscription Shares (as defined in the 9 October 2020 Announcement), in each case, by the Company’s wholly-owned subsidiary, CES WL Pte Ltd (“**CES WL**”); and
- (b) on 30 December 2020, the Company’s effective interest in Invictus International further increased to approximately 92.65% on completion of CES WL’s subscription of the remaining 172,000 Subscription Shares. The consideration for the 172,000 Subscription Shares (at S\$58.181684 per Subscription Share) was funded from internal cash resources.

Please refer to the announcement released by the Company on 28 September 2020 (*Further Investment in Invictus International School Pte. Ltd.*) for details relating to the acquisition of the Sale Shares and to the 9 October 2020 Announcement for details relating to the Subscription Shares.

The Company’s effective interest in Invictus International is held through CES WL and its 70%-owned subsidiary, White Lodge Education Group Services Pte. Ltd.

2. Cybint International Pte. Ltd. (“**CIPL**”)

On 3 September 2020, the Company announced (*Conversion of Convertible Loan into Shares of Cybint International Pte. Ltd.*) that its wholly-owned subsidiary, CES Edutech Pte. Ltd. (“**CES Edutech**”) had on the same day fully converted the US\$4.95 million convertible loan provided to CIPL. After such conversion, CES Edutech holds 5,000 issued and fully-paid up ordinary shares of CIPL, representing 33.33% of the enlarged issued and paid-up share capital of CIPL. CIPL is thus an associated company of the Company. Please refer to the said announcement for further details.

(D) Cessation

The Company has deregistered its wholly-owned subsidiary in Australia, 242 West Coast Highway Scarborough Pty Ltd, with effect from 18 November 2020. The entity had been dormant since the disposal of its development site in November 2018.

Submitted by Chia Lee Meng Raymond, Executive Director and Group Chief Executive Officer, on 9 February 2021 to SGX