



UTILISATION OF NET PROCEEDS FROM RIGHTS ISSUE

Unless otherwise defined in this Announcement, capitalised terms used herein shall have the same meaning ascribed to them in the offer information statement of Chip Eng Seng Corporation Ltd. (the “Company”) dated 23 September 2019 (the “Offer Information Statement”) in relation to the Rights Issue and lodged with the Monetary Authority of Singapore on 23 September 2019.

The Board of Directors (the “Board”) of the Company wishes to provide an update that with respect to the Company’s education business segment (the “Education Business”) approximately S\$6.7 million of Net Proceeds has been utilised for the provision of a US\$4.95 million convertible loan to Cybint International Pte. Ltd. Please refer to the announcements released on 23 December 2019 and 13 January 2020 for details relating to the convertible loan.

The above utilisation is in accordance with the intended use as stated in the Offer Information Statement except for the increased allocation for the Education Business in order to capitalise on the expansion and investment opportunities which have presented themselves in recent months.

As at the date of this Announcement, a total of approximately S\$36.9 million of Net Proceeds has been applied towards the Education Business. This exceeds the S\$20.0 million of Net Proceeds originally allocated for the Education Business and the following amounts were channeled towards the Education Business:

- (i) approximately S\$5.0 million from the S\$50.0 million originally allocated for the property development segment of the Group’s business (the “Property Development Business”);
- (ii) approximately S\$0.4 million from the S\$10.0 million originally allocated for the hospitality segment of the Group’s business (the “Hospitality Business”); and
- (iii) approximately S\$11.5 million originally allocated for the Group’s general corporate purposes.

A summary of the utilisation of the Net Proceeds to-date is as follows:

Intended Use of Proceeds	Original Allocation of Net Proceeds (S\$ million)	Actual Amount Utilised as per this Announcement (S\$ million)	Unutilised Amount as per this Announcement (S\$ million)
To finance the possible expansion of the property development segment of the Group’s business in Singapore and overseas	50	-	45
To finance the Group’s possible strategic investments and/or acquisitions in the education segment of its business, which is in line with the Group’s recent diversification into the education sector	20	36.9	-
To finance the growth and operations of the hospitality segment of the Group’s business	10	9.6	-

Intended Use of Proceeds	Original Allocation of Net Proceeds (S\$ million)	Actual Amount Utilised as per this Announcement (S\$ million)	Unutilised Amount as per this Announcement (S\$ million)
For general corporate purposes including general and working capital requirements of the Group	16.3	4.8	-

Please refer to the announcements released on 15 November 2019, 12 December 2019 and 8 January 2020 for details relating to the earlier utilisation of the Net Proceeds.

The Board will continue to make periodic announcements on the balance of the Net Proceeds as and when such proceeds are materially disbursed.

By Order of the Board

Chia Lee Meng Raymond
Executive Director and Group Chief Executive Officer
13 January 2020