



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

FURTHER INVESTMENT IN CYBINT INTERNATIONAL PTE. LTD.

1. INTRODUCTION

The Board of Directors (the "**Board**") of Chip Eng Seng Corporation Ltd. (the "**Company**") wishes to announce that its wholly-owned subsidiary, CES Edutech Pte. Ltd. ("**CES Edutech**"), had today signed a subscription agreement (the "**Subscription Agreement**") with Cybint International Pte. Ltd. ("**CIPL**") for the subscription of an additional 1,990,000 ordinary shares (the "**Subscription Shares**") in the capital of CIPL (the "**Subscription**"). Completion of the Subscription has taken place on the same day.

Following the issuance of the Subscription Shares, CES Edutech's interest in CIPL has increased from 33.33% to 41.14%. The remaining shares in CIPL are owned by its founder, Mr. Roy Moshe Zur.

Further details on the Subscription are set out below.

2. PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

2.1 **Consideration.** The aggregate consideration paid by CES Edutech to CIPL in respect of the Subscription Shares is approximately US\$2.3 million. The consideration was funded from internal cash resources.

The net asset value per Subscription Share based on the latest unaudited consolidated management accounts of CIPL as at 31 December 2020 is US\$0.80.

The terms of the Subscription Agreement were arrived at on a willing-buyer, willing-seller basis, taking into consideration, among others, the reasons set out in the paragraph below "*3. Rationale for the Further Investment*".

2.2 **Subscription Shares.** The Subscription Shares represent 11.71% of the enlarged issued and paid-up share capital of CIPL as at the date of this announcement.

2.3 **Other terms.** The Subscription Agreement contains customary provisions, including representations and warranties and other commercial terms.

3. RATIONALE FOR THE FURTHER INVESTMENT

CIPL has funding needs to further its market strategy of pushing out its product offerings on a larger scale to create ecosystems of learning among private industry, educational partners and government entities. The Subscription is in connection with a fundraising exercise currently undertaken by CIPL, pursuant to which CIPL is also seeking other third-party investors.

CIPL's business model is to create learning, training and simulation platforms for cyber education. In 2020, it focused on reskilling the workforce and upskilling the industry in cybersecurity through conducting bootcamps and corporate training workshops for new and existing cybersecurity industry professionals. In the year ahead, CIPL intends to extend its platforms to provide cyber education for students. To improve its execution capability in order to meet its expansion plans, CIPL has more than doubled the size of its team in 2020.

The Company believes that CIPL is able to position itself to offer solutions to fill the wide gap in cybersecurity literacy and proficiency. The Company is keen to participate in CIPL's growth as it believes that the business has good growth potential with companies placing increasing emphasis on cybersecurity.

4. FINANCIAL IMPACT

The Subscription is not expected to have a significant impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2021.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and, to the best of the Directors' knowledge, none of the substantial shareholders of the Company has any interest, direct or indirect, in the Subscription, other than through their respective shareholdings and/or directorships, as the case may be, in the Company.

Submitted by Tan Tee How, Executive Director, on 4 February 2021 to SGX