



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:

- (i) with respect to the Company’s education business segment (the “**Education Business**”), approximately S\$23.2 million of Net Proceeds has been utilised for the acquisition of Raffles Campus (Malaysia) Pte. Ltd. Please refer to the announcement released on 12 December 2019 for details on the acquisition; and
- (ii) S\$1.9 million of Net Proceeds has been utilised towards funding the working capital requirements of the Education Business.

As at the date of this Announcement, a total of approximately S\$30.2 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 approximately S\$10.2 million was channeled from the S\$16.3 million originally allocated for the Group’s general corporate purposes.

The above utilisations are in accordance with the intended use as stated in the Offer Information Statement except that the allocation for the Education Business has increased from S\$20.0 million to approximately S\$30.2 million while the allocation for the Group’s general corporate purposes has decreased from S\$16.3 million to approximately S\$6.1 million. The increased allocation for the Education Business was to meet the more immediate funding needs of the Education Business in order to capitalise on the expansion opportunities which have presented themselves in recent months.

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)	Amount utilised 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	-
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	20

Intended Use of Proceeds	Original Allocation of Net Proceeds (S\$ million)	Amount utilised as per this Announcement (S\$ million)
To finance the growth and operations of the hospitality segment of the Group's business	10	-
For general corporate purposes including general and working capital requirements of the Group	16.3	10.2

Please refer to the announcement released on 15 November 2019 for details relating to the earlier utilisation of the Net Proceeds.

The Board will continue to make period 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
12 December 2019