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## UTILISATION OF NET PROCEEDS FROM RIGHTS ISSUE

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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) approximately S\$9.6 million out of the S\$10.0 million of Net Proceeds allocated to finance the growth and operations of the Group’s hospitality business has been utilised. Such amount is utilised to fund the Company’s proportionate contribution of US\$7.0 million to its 70%-owned joint venture company, CES Tropical (Maldives) Pte. Ltd. (“JV Co”), as part of the initial capital commitment contributed by the shareholders of JV Co. Please refer to the announcement released on 14 October 2019 (*Entry into a Joint Venture for the Acquisition of a Lagoon in the Maldives*) for information on the intended utilisation by JV Co of the initial capital commitment (which includes the acquisition of a lagoon in the Maldives) and the announcement released on 8 January 2020 (*Completion of the Acquisition of the Lagoon in Maldives*); and
- (ii) approximately S\$4.8 million of Net Proceeds will be utilised towards funding the working capital requirements of the Group.

The above utilisation is in accordance with the intended use and percentage allocation stated in the Offer Information Statement.

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
To finance the growth and operations of the hospitality segment of the Group’s business	10	9.6
For general corporate purposes including general and working capital requirements of the Group	16.3	15

Please refer to the announcements released on 15 November 2019 and 12 December 2019 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  
8 January 2020