



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 the Company has utilised approximately S\$30.9 million of the Net Proceeds for its general corporate purposes as follows:

Utilisation	Amount
Repayment of bank borrowings	S\$15.0 million
Payment of interest amounts due on notes issued pursuant to the Company’s S\$750 million Debt Issuance Programme	S\$3.0 million
Other expenses such as payment of salaries and the provision of working capital for the Group’s businesses	S\$12.9 million

The above utilisation is in accordance with the intended use as stated in the Offer Information Statement except for the increased allocation for the Group’s general corporate purposes.

In view of the changing business environment as a result of the COVID-19 pandemic, the Group intends to be even more selective with respect to its expansion plans to cope with the impact of the pandemic. The Company is thus of the view that increasing the allocation of the Net Proceeds towards the Group’s general corporate purposes will allow the Company to tap on its available funds and ease the constraints on the Group’s cashflow.

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	-	14.1
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	35.7	-

Please refer to the announcements released on 15 November 2019, 12 December 2019, 8 January 2020 and 10 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
24 July 2020