



**RESPONSE TO QUERIES REGARDING THE FULL-YEAR
FINANCIAL RESULTS ANNOUNCEMENT RELEASED ON 9 FEBRUARY 2021**

The Board of Directors (the “**Board**”) of Chip Eng Seng Corporation Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 16 February 2021 in connection with the Company’s announcement of its full-year financial statements for the period ended 31 December 2020 released to SGX-ST via SGXNET on 9 February 2021 (the “**FY2020 Financial Results Announcement**”). The queries from SGX-ST and the Company’s responses are set out below.

Queries from SGX-ST:

On page 3 of the FY2020 Financial Results Announcement, the Company disclosed non-current trade and other receivables amounting to \$32.97 million. Please disclose:

- (i) the breakdown of the Group’s trade and other receivables (where applicable); and
- (ii) the Board’s assessment of the recoverability of the non-current trade and other receivables.

Company’s response to (i):

The breakdown of the Group’s non-current trade and other receivables is as follows:

	\$’million*
Amount due from joint venture	29.49
Rental deposits	3.28
Others	0.20
	32.97

* rounded up to two decimal places

Company’s response to (ii):

Amount due from joint venture

The amount of approximately \$29.49 million due from joint venture is in relation to the Group’s 50% proportionate share of the shareholders’ loan provided to its joint venture company, Roxy-CES (NZ) Limited (the “**JVCo**”). The loan proceeds were utilised towards partially funding the JVCo’s acquisition of a commercial property in New Zealand in 2017. The property is held by the JVCo as an investment property.

The net asset value of the JVCo attributable to the Group’s 50% interest in the JVCo is approximately \$41.30 million, which is in excess of the amount due from the JVCo. The Board is therefore of the view that as at the date of this announcement, there is no concern for recovery in respect of such amount due.

Rental deposits

The rental deposits amounting to approximately \$3.28 million are in relation to the security deposits placed by the Group for leases entered into in the ordinary course of business. The leased premises are mainly to house the schools owned by the Group's education business segment, some of which are long-term leases for more than five years.

The Board notes that the security deposits would be refunded in accordance with the terms of the lease upon the expiry of the lease term.

Others

The Board notes that the amount of approximately \$200,000 is not material to the Group as a whole.

By Order of the Board

Chia Lee Meng Raymond
Executive Director and Group Chief Executive Officer
18 February 2021