



TERMINATION OF KINDERGARTEN COLLABORATION WITH REPTON INTERNATIONAL

1. INTRODUCTION

The Board of Directors of Chip Eng Seng Corporation Ltd (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to update that the Group’s collaboration with Repton International Schools Ltd (“**Repton International**”) relating to the establishment of international kindergartens in certain countries within the Asia Pacific region (the “**Repton Kindergarten Collaboration**”) will terminate with effect from 31 March 2021.

2. BACKGROUND

On 25 April 2018, the Group entered into agreements with Repton International relating to the Repton Kindergarten Collaboration, details of which can be found in the announcement released on the same date (“*Diversification into Education Sector – Collaboration with Repton International*”).

As at the date of this announcement, the Group owns and operates two Repton pre-school centres in Singapore pursuant to the Repton Kindergarten Collaboration.

3. RATIONALE FOR TERMINATION

The Group has reviewed its existing collaboration with RISL in the context of its overall investments in the education business segment, in the light of the rapidly changing business environment precipitated by amongst others, the COVID-19 pandemic. Both the Group and RISL have agreed to focus their collaboration going forward in the operation of Repton International School, Malaysia (“**Repton Malaysia**”). Repton Malaysia, which commenced operations in September 2020, is an international K-12 school situated in Johor Bahru. Please refer to the announcement released on 12 August 2020 (“*Further Collaboration with Repton International – Rebranding of Excelsior International School*”). With the focus on K-12 school collaboration, both parties have agreed to terminate their kindergarten collaboration.

The two existing Repton preschools, which are located in Singapore, will be rebranded using the Group’s proprietary brand. This will allow the Group to harness operational efficiency and synergy between the Group’s proprietary brands and to create a stronger identity for these brands.

Notwithstanding the termination of the Repton Kindergarten Collaboration, the Group and Repton International continue with their collaboration in relation to the operation of Repton Malaysia, the Group’s international school in Johor Bahru. For further details of such collaboration, please refer to the announcement released on 12 August 2020 (“*Further Collaboration with Repton International – Rebranding of Excelsior International School*”).

4. FINANCIAL IMPACT

The termination of the Repton Kindergarten Collaboration will not have any material impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2020.

OTHERS

None of the Directors, and to the best of the Directors' knowledge, none of the substantial shareholders of the Company has any direct or indirect interest in the Repton Kindergarten Collaboration, 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 28 December 2020 to the SGX.