



CHIP ENG SENG CORPORATION LTD.
Co. Reg. No. 199805196H

**SETTLEMENT OF DISPUTE RELATING TO TERMINATION OF THE PROPOSED ACQUISITION
OF CHILDCARE CENTRE BUSINESS IN TARNEIT, VICTORIA, AUSTRALIA**

The Board of Directors (the "**Board**") of Chip Eng Seng Corporation Ltd. (the "**Company**") refers to the announcement released on 27 May 2020 ("*Termination of Contract of Sale relating to the Proposed Acquisition of Childcare Centre Business in Tarneit, Victoria, Australia and Commencement of Legal Proceedings*") (the "**27 May 2020 Announcement**").

Unless otherwise stated, terms defined in the 27 May 2020 Announcement shall have the same meaning in this announcement.

The Board wishes to update that Penn Junior TW and the Vendor have today attended a compulsory mediation session. Pursuant to such mediation, Penn Junior TW and the Vendor have arrived at a settlement (the "**Settlement**") with respect to the dispute detailed in the 27 May 2020 Announcement. Under the terms of the Settlement, the parties also release and discharge each other from all claims relating to the said dispute.

The Settlement will not have an impact on the net tangible assets and earnings per share of the Company for the current financial year ending 31 December 2020.

None of the Directors and, to the best knowledge of the Directors, none of the substantial shareholders of the Company has any direct or indirect interest in the Proposed Acquisition or the Settlement, 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 22 October 2020 to the SGX.