



# MINDCHAMPS PRESCHOOL LIMITED

(Company Registration Number: 200814577H)

(Incorporated in Singapore)

## UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

### Consolidated Statement of Comprehensive Income for the Half Year Ended 30 June 2020

	Half Year		+/- %
	30.06.2020 S\$'000	30.06.2019 S\$'000	
Revenue	21,596	22,473	(4%)
Cost of sales	(14,068)	(10,715)	31%
<b>Gross profit</b>	<b>7,528</b>	<b>11,758</b>	<b>(36%)</b>
Other income			
- Interest income	67	105	(36%)
- Others	8,294	1,489	N.M.
Other gains and losses			
- Impairment loss on financial assets	(13)	(28)	(54%)
- Other gain / (loss) – net	188	(37)	N.M.
Expenses			
- Administrative	(12,960)	(10,690)	21%
- Finance	(1,426)	(918)	55%
- Marketing	(585)	(424)	38%
- Acquisitions	-	(304)	(100%)
Share of loss of an associated corporation and joint ventures	(114)	-	N.M.
<b>Profit before income tax</b>	<b>979</b>	<b>951</b>	<b>3%</b>
Income tax expense	(214)	(206)	4%
<b>Net profit</b>	<b>765</b>	<b>745</b>	<b>3%</b>

N.M.: Not meaningful

**Consolidated Statement of Comprehensive Income for the Half Year Ended 30 June 2020**  
(continued)

	Half Year		
	30.06.2020	30.06.2019	+/-
	S\$'000	S\$'000	%
<b>Other comprehensive income / (loss):</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation – gain / (loss)	1,228	(624)	N.M.
<b>Total comprehensive income</b>	<b>1,993</b>	<b>121</b>	<b>N.M.</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	702	742	(5%)
Non-controlling interests	63	3	N.M.
	<b>765</b>	<b>745</b>	<b>3%</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	1,930	118	N.M.
Non-controlling interests	63	3	N.M.
	<b>1,993</b>	<b>121</b>	<b>N.M.</b>

*N.M.: Not meaningful*

**1(a)(ii) Net profit is arrived at after accounting for:**

	Half Year		
	30.06.2020	30.06.2019	+/-
	S\$'000	S\$'000	%
Amortisation of intangible assets	279	387	(28%)
Depreciation of property, plant and equipment	4,863	3,633	34%
Impairment loss on financial assets	13	28	(54%)

*N.M.: Not meaningful*

1(b)(i) A statement of financial position (for the Company and the Group), together with a comparative statement as at the end of the immediately preceding financial year.

**Balance Sheets**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30.06.2020 S\$'000</b>	<b>As at 31.12.2019 S\$'000</b>	<b>As at 30.06.2020 S\$'000</b>	<b>As at 31.12.2019 S\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5,827	5,762	943	1,150
Trade and other receivables	18,188	20,796	14,642	13,342
Inventories	180	154	-	5
Lease receivables	596	529	596	529
	<u>24,791</u>	<u>27,241</u>	<u>16,181</u>	<u>15,026</u>
<b>Non-current assets</b>				
Property, plant and equipment	31,322	34,726	3,773	3,866
Intangible assets	91,340	89,887	2,345	2,211
Lease receivables	2,110	2,389	2,110	2,389
Deferred income tax assets	1,325	1,318	-	-
Investments in subsidiary corporations	-	-	81,677	81,677
Investment in an associated corporation	-	-	-	-
Investment in joint ventures	200	314	-	-
	<u>126,297</u>	<u>128,634</u>	<u>89,905</u>	<u>90,143</u>
<b>Total assets</b>	<u>151,088</u>	<u>155,875</u>	<u>106,086</u>	<u>105,169</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	13,183	13,291	23,254	15,121
Borrowings	10,122	10,640	9,138	9,714
Contract liabilities	2,704	2,151	-	-
Lease liabilities	8,365	8,252	1,193	1,059
Current income tax liabilities	985	1,040	-	-
	<u>35,359</u>	<u>35,374</u>	<u>33,585</u>	<u>25,894</u>
<b>Non-current liabilities</b>				
Borrowings	27,851	30,695	22,662	26,456
Deferred income tax liabilities	57	28	43	4
Lease liabilities	22,363	26,196	4,221	4,778
Provision for reinstatement costs	973	940	32	31
	<u>51,244</u>	<u>57,859</u>	<u>26,958</u>	<u>31,269</u>
<b>Total liabilities</b>	<u>86,603</u>	<u>93,233</u>	<u>60,543</u>	<u>57,163</u>
<b>NET ASSETS</b>	<u>64,485</u>	<u>62,642</u>	<u>45,543</u>	<u>48,006</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	49,301	49,301	49,301	49,301
Currency translation reserve	(2,873)	(4,101)	-	-
Retained profits / (Accumulated losses)	18,366	17,664	(3,758)	(1,295)
	<u>64,794</u>	<u>62,864</u>	<u>45,543</u>	<u>48,006</u>
<b>Non-controlling interests</b>	<u>(309)</u>	<u>(222)</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY</b>	<u>64,485</u>	<u>62,642</u>	<u>45,543</u>	<u>48,006</u>

**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities**

	Group			
	As at 30.06.2020		As at 31.12.2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	10,726	-	12,078	-
Amount repayable after one year	29,865	-	33,257	-
<b>Total</b>	<b>40,591</b>	<b>-</b>	<b>45,335</b>	<b>-</b>

**Details of collaterals**

The Group's borrowings consist of term loans and are secured by means of Specific Security Deeds in respect of securities over shares in the following subsidiary corporations:

- MindChamps Early Learning Australia Pty. Limited
- MindChamps Early Learning 1 Pty. Limited
- MindChamps Early Learning 3 Pty. Limited
- MindChamps Early Learning 4 Pty. Limited
- MindChamps Early Learning 6 Pty. Limited
- MindChamps Early Learning 7 Pty. Limited
- MindChamps Early Learning 8 Pty. Limited
- MindChamps Early Learning 9 Pty. Limited
- MindChamps Early Learning 10 Pty. Limited
- MindChamps Early Learning 11 Pty. Limited
- MindChamps Early Learning 12 Pty. Limited
- MindChamps PreSchool @ Punggol Northshore Pte. Limited
- MindChamps PreSchool @ Buangkok Private Limited

- 1(c) **A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Consolidated Statement of Cash Flows**

	Half Year	
	30.06.2020	30.06.2019
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Net profit	765	745
Adjustments for:		
- Acquisition related expenses	-	304
- Amortisation of intangible assets	279	387
- Depreciation of property, plant and equipment	4,863	3,633
- Interest expense	1,426	918
- Interest income	(67)	(105)
- Income tax expense	214	206
- Property, plant and equipment written off	2	-
- Share of loss of an associated corporation and joint ventures	114	-
- Unrealised currency translation (gain) / loss	(712)	217
	6,884	6,305
Change in working capital, net of effects from acquisitions of businesses and subsidiary corporations:		
- Trade and other receivables	(1,958)	(1,411)
- Inventories	(27)	(24)
- Trade and other payables	(542)	(218)
- Contract liabilities	554	492
Cash generated from operations	4,911	5,144
Income tax refund	-	2
Income tax paid	(79)	(40)
<b>Net cash provided by operating activities</b>	<b>4,832</b>	<b>5,106</b>
<b>Cash flows from investing activities</b>		
Acquisitions of subsidiary corporations, net of cash acquired	-	(40,415)
Acquisitions related expenses paid	-	(304)
Additions to intangible assets	(528)	(1,969)
Additions to property, plant and equipment	(729)	(453)
Interest received	67	105
Proceeds from divestment of a subsidiary corporation	4,779	-
<b>Net cash provided by / (used in) investing activities</b>	<b>3,589</b>	<b>(43,036)</b>
<b>Cash flows from financing activities</b>		
Dividend paid to equity holders of the Company	-	(3,237)
Dividend paid to non-controlling interests	(150)	(170)
Interest paid for loans and leases	(1,388)	(939)
Proceeds from loans	1,440	26,619
Repayments of loans	(5,353)	(4,095)
Repayments of principal element of lease payments	(2,997)	(3,016)
<b>Net cash (used in) / provided by financing activities</b>	<b>(8,448)</b>	<b>15,162</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(27)</b>	<b>(22,768)</b>
<b>Cash and cash equivalents</b>		
Beginning of financial period	5,762	35,437
Effects of currency translation on cash and cash equivalents	92	(76)
<b>End of financial period</b>	<b>5,827</b>	<b>12,593</b>

1(d)(i) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(A) Group – Consolidated Statement of Changes in Equity for the Half Year Ended 30 June 2020

	Attributable to equity holders of the Company				Non-controlling interests S\$'000	Total S\$'000
	Share capital	Currency translation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000		
<b>2020</b>						
<b>Balance as at 1 January 2020</b>	49,301	(4,101)	17,664	62,864	(222)	62,642
Total comprehensive income for the financial period	-	1,228	702	1,930	63	1,993
Dividends paid to non-controlling interests	-	-	-	-	(150)	(150)
<b>Balance as at 30 June 2020</b>	<b>49,301</b>	<b>(2,873)</b>	<b>18,366</b>	<b>64,794</b>	<b>(309)</b>	<b>64,485</b>
<b>2019</b>						
<b>Balance as at 1 January 2019</b>	49,301	(2,540)	13,974	60,735	(49)	60,686
Total comprehensive (loss) / income for the financial year	-	(624)	742	118	3	121
Dividend paid	-	-	(3,237)	(3,237)	-	(3,237)
Dividend paid to non-controlling interests	-	-	-	-	(170)	(170)
Acquisition of a subsidiary corporation	-	-	-	-	(24)	(24)
<b>Balance as at 30 June 2019</b>	<b>49,301</b>	<b>(3,164)</b>	<b>11,479</b>	<b>57,616</b>	<b>(240)</b>	<b>57,376</b>

(B) **Company – Statement of Changes in Equity for the Half Year Ended 30 June 2020**

	Attributable to equity holders of the Company		
	(Accumulated losses) /		Total
	Share capital	Retained profits	
	S\$'000	S\$'000	S\$'000
<b>2020</b>			
<b>Balance as at 1 January 2020</b>	49,301	(1,295)	48,006
Total comprehensive loss for the financial year	-	(2,463)	(2,463)
<b>Balance as at 30 June 2020</b>	<b>49,301</b>	<b>(3,758)</b>	<b>45,543</b>
<b>2019</b>			
<b>Balance as at 1 January 2019</b>	49,301	2,513	51,814
Total comprehensive loss for the financial year	-	2,189	2,189
Dividend paid	-	(3,237)	(3,237)
<b>Balance as at 30 June 2019</b>	<b>49,301</b>	<b>1,465</b>	<b>50,766</b>

- 1(d)(ii) **Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Share Buy Back**

No shares were bought back by the Company during the current quarter under the Share Purchase Mandate (first approved by the shareholders on 9 November 2017 and last renewed at the Annual General Meeting on 29 June 2020).

**Share Capital**

	Number of shares (‘000)
<u>Issued and paid ordinary shares</u>	
Balance as at 1 January 2020 and as at 30 June 2020	241,600
Balance as at 1 January 2019 and as at 30 June 2019	241,600

The Company did not have any outstanding options, rights, subsidiary holdings, convertibles or treasury shares as at 30 June 2020 and 30 June 2019.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at 30.06.2020</b>	<b>As at 31.12.2019</b>
<b>Ordinary shares of the Company</b>		
Number of shares issued and paid-up ('000)	241,600	241,600

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Company did not have any sales, transfers, cancellation and/or use of treasury shares as at 30 June 2020.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

The Company did not have any sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2020.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have yet to be audited or reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable. The figures have yet to be audited or reviewed by the Company's auditors.



**4 Whether the same accounting policies and methods of computation as in the Company's most recently audited annual financial statements have been applied.**

Except as disclosed below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2019.

The Group adopted the new/revised Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 January 2020. Changes to the Group's accounting policies have been made as required in accordance with the provisions in the respective SFRS(I) and SFRS(I) Interpretation.

The following is the amended SFRS(I), that is relevant to the Group:

- Amendment to SFRS(I) 16: Covid-19-Related Rent Concessions

The adoption of the above SFRS(I) amendments did not have any significant impact on the financial statements of the Group.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Refer to Paragraph 4.

**6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

<b>Earnings Per Ordinary Share</b>	<b>Half Year</b>	
	<b>30.06.2020</b>	<b>30.06.2019</b>
Based on the weighted average number of ordinary shares on issue (in Singapore cents)	0.29	0.31
On a fully diluted basis (detailing any adjustments made to the earnings) (in Singapore cents)	0.29	0.31

**7 Net asset value (for the Company and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the Company at the end of the current financial period reported on; and immediately preceding financial year**

<b>Net asset value Per Ordinary Share</b>	<b>Group</b>		<b>Company</b>	
	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Net asset value per share based on total number of issued shares at the end of year (in Singapore cents)	26.82	26.02	18.85	19.87

- 8 **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**(A) COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*Half Year Ended 30 June 2020 ("1H 2020") and 30 June 2019 ("1H 2019")*

- (1) For the half year ended 30 June 2020, the Group recorded a profit before tax of S\$1.0 million in 1H 2020 (1H 2019: S\$1.0 mil) and a profit after tax of S\$0.8 million in 1H 2020 (1H 2019: S\$0.7 mil).
- (2) Revenue decreased by approximately S\$0.9 million or 4%, from S\$22.5 million in 1H 2019 to S\$21.6 million in 1H 2020. The decrease was mainly attributable to the 50% mandated school fee reductions during Q2 2020 as part of the local government COVID-19 initiatives in Singapore and Australia. This reduction was offset by the increased number of enrolled students following the acquisitions of preschool centres in 2019.
- (3) Cost of sales increased by approximately S\$3.4 million or 31%, from S\$10.7 million in 1H 2019 to S\$14.1 million in 1H 2020. The increase was mainly attributable to higher academic staff costs incurred, which resulted from the increased number of academic staff following the acquisitions of preschool centres in 2019.
- (4) Other income increased by approximately S\$6.8 million, from S\$1.5 million in 1H 2019 to S\$8.3 million in 1H 2020. The increase was mainly attributable to the local government COVID-19 relief measures extended to the Group's operations in Singapore and Australia during 1H 2020 in view of the 50% mandated school fee reductions during Q2 2020.
- (5) Other gain / (loss) – net increased by approximately S\$0.2 million, from a loss of S\$37,000 in 1H 2019 to a gain of S\$0.2 mil in 1H 2020. The increase was mainly attributable to the unrealised foreign exchange gain arising from the appreciation of Australian Dollars against Singapore Dollars during 1H 2020.
- (6) Administrative expenses increased by approximately S\$2.3 million or 21%, from S\$10.7 million in 1H 2019 to S\$13.0 million in 1H 2020. The increase was mainly attributable to an increase in:
  - (a) administrative costs of approximately S\$1.9 million incurred in relation to the preschool centres acquired in 2019, such as rental, utilities, depreciation, amortisation, repairs and maintenance and other day-to-day running costs; and
  - (b) support staff costs of preschool centres of approximately S\$0.4 million which resulted from the increased number of support staff following the acquisitions of preschool centres in 2019.
- (7) Finance expenses increased by approximately S\$0.5 million or 55%, from S\$0.9 million in 1H 2019 to S\$1.4 million in 1H 2020. The increase was mainly attributable by an increase in:
  - (a) finance expenses of S\$0.3 million incurred by the leases for preschool centres acquired in 2019; and
  - (b) finance expenses of S\$0.2 million which mainly resulted from servicing the acquisition loans which the Company obtained for the acquisitions of preschool centres in 2019.

**(A) COMMENTARY ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** (continued)

- (8) Acquisition expenses decreased by S\$0.3 million or 100%, from S\$0.3 million in 1H 2019 to nil in 1H 2020. The decrease was due to no acquisition exercise being undertaken by the Group in 1H 2020.
- (9) Marketing expenses increased by approximately S\$0.2 million or 38%, from S\$0.4 million in 1H 2019 to S\$0.6 million in 1H 2020. The increase was in line with the increase in scale of the Group's operations and branding requirements of new overseas businesses.
- (10) Currency translation arising from consolidation increased by approximately S\$1.8 million, from a loss of S\$0.6 million in 1H 2019 to a gain of S\$1.2 million in 1H 2020. These exchange differences arose from the translation of financial statements of the Group's Australian operations whose functional currencies are different from the Group's presentation currency.

**(B) COMMENTARY ON THE CONSOLIDATED BALANCE SHEET**

**(1) Current assets**

The Group's current assets decreased by approximately S\$2.4 million or 9%, from S\$27.2 million as at 31 December 2019 to S\$24.8 million as at 30 June 2020. The decrease of the Group's current assets was mainly attributable to the decrease in trade and other receivables of approximately S\$2.6 million as a result of collections from debtors in 1H 2020.

**(2) Non-current assets**

The Group's non-current assets decreased by approximately S\$2.3 million, from S\$128.6 million as at 31 December 2019 to S\$126.3 million as at 30 June 2020. The decrease of the Group's non-current assets was mainly attributable to the following:

- (a) the decrease in property, plant and equipment of approximately S\$3.4 million mainly attributable to depreciation of right-of-use assets relating to leases held by the Group;
- (b) the decrease in lease receivables of approximately S\$0.3 million mainly attributable to the utilisation of lease terms in 1H 2020; and
- (c) the increase in intangible assets of approximately S\$1.5 million mainly attributable to the appreciation of Australia Dollars arising from the translation of financial statements of the Group's Australian operations.

**(3) Current liabilities**

The Group's current liabilities maintained at S\$35.4 million as at 30 June 2020 and as at 31 December 2019.

**(B) COMMENTARY ON THE CONSOLIDATED BALANCE SHEET** (continued)

**(4) Non-current liabilities**

The Group's non-current liabilities decreased by approximately S\$6.7 million, from S\$57.9 million as at 31 December 2019 to S\$51.2 million as at 30 June 2020. The decrease of the Group's non-current liabilities were mainly attributable to the following;

- (a) the decrease in non-current lease liabilities of approximately S\$3.8 million mainly attributable to the lease payments made by the Group; and
- (b) the decrease in non-current borrowings of approximately S\$2.8 million which resulted from the net movements of repayments of existing borrowings and procurement of Singapore government backed COVID-19 borrowings at favourable rates for contingency purposes.

**(C) COMMENTARY ON THE CONSOLIDATED STATEMENT OF CASH FLOWS**

*Half Year Ended 30 June 2020 ("1H 2020")*

The Group's cash and cash equivalents maintained at S\$5.8 million as at 30 June 2020 and as at 31 December 2019.

Major cash inflows in 1H 2020 were:

- (a) net cash provided by operating activities of approximately S\$4.8 million;
- (b) procurement of Singapore government backed COVID-19 borrowings of approximately S\$1.4 million for contingency purposes; and
- (c) receipt of purchase consideration of approximately S\$4.8 million for a preschool centre divested in 2019.

Major cash outflows in 1H 2020 were:

- (a) repayments of principal element of existing borrowings in relation to past acquisitions of preschool centres amounting to approximately S\$5.4 million;
- (b) repayments of principal element of lease payments in relation to the leasing of preschool centres of approximately S\$3.0 million;
- (c) repayments of interest in relation to existing borrowings and lease payments of S\$1.4 million; and
- (d) payments in relation to additions of property, plant and equipment of approximately S\$0.7 million in relation to the upgrade of facilities and resources in the Group's preschool centres.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable. The Company did not issue any forecast or prospect statement to shareholders previously.

- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

**(a) COVID-19 Outlook for 2H 2020**

The COVID-19 pandemic has significantly impacted the global economy. Due to the uncertainties created by the COVID-19 pandemic in the countries where the Group operates, the Group is unable to estimate the magnitude of the pandemic that may affect the Group in the next reporting period and the next 12 months.

The Group will continue to monitor its operations and financials closely and focus on maximising its shareholders' returns.

**(b) Establishment of GCC Preschool Fund with Foundation Corporation Holdings**

As announced on 6 April 2020, the Company has entered into a joint venture agreement with Foundation Corporation Holdings ("**Foundation**") to establish a new private fund to be named the "**GCC PreSchool Fund**" which will have a target of approximately US\$50 million to US\$100 million for its initial fund size. The parties intend to manage the proposed fund through a joint venture where Foundation and the Company will each hold, directly or indirectly, a 50% stake. The GCC PreSchool Fund will seek to raise funds mainly through third party investors, but also through the Company (investing directly or indirectly) and Foundation (investing directly or indirectly). The investment objective will be to establish and acquire preschools in the Gulf Cooperation Council countries and operate them under the MindChamps brand.

- 11 **If a decision regarding dividend has been made:-**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No dividends recommended in the current reported financial period.

**(b) (i) Amount per share**

Not applicable.

**(ii) Previous corresponding period**

Not applicable

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

- 12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared for the period ended 30 June 2020 as the Company intends to retain the profits generated in the current financial period for operational needs.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

- 14 Negative confirmation pursuant to Rule 705(5).**

To the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect.

- 15 Confirmation that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

- 16 **Segmented revenue and results for business of the Group in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business Segment**

	Singapore				Australia		Group
	Education	Franchise	Corporate	Others	Education	Corporate	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>1H 2020</u></b>							
<b>Sales</b>							
Total segment sales	7,943	3,667	-	-	10,715	-	22,325
Inter-segment sales	-	(729)	-	-	-	-	(729)
Sales to external parties	7,943	2,938	-	-	10,715	-	21,596
<b>EBITDA</b>	<b>5,053</b>	<b>952</b>	<b>(907)</b>	<b>(25)</b>	<b>3,852</b>	<b>(1,445)</b>	<b>7,480</b>
<b><u>1H 2019</u></b>							
<b>Sales</b>							
Total segment sales	8,041	4,798	-	-	10,372	-	23,211
Inter-segment sales	-	(738)	-	-	-	-	(738)
Sales to external parties	8,041	4,060	-	-	10,372	-	22,473
<b>EBITDA</b>	<b>4,145</b>	<b>1,672</b>	<b>(1,120)</b>	<b>(8)</b>	<b>2,619</b>	<b>(1,524)</b>	<b>5,784</b>

**By order of the Board**

**Mr. David Chiem Phu An**  
**Executive Chairman**  
**13 August 2020**