MINDCHAMPS PRESCHOOL LIMITED
(Company Registration Number: 200814577H)
(Incorporated in the Republic of Singapore on 25 July 2008)

ANNOUNCEMENT OF INTERESTED PERSON TRANSACTION PURSUANT TO RULE 905(2) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED LISTING MANUAL

DBS Bank Ltd. was the sole issue manager, bookrunner and underwriter (the "**Sole Issue Manager, Bookrunner and Underwriter**") for the initial public offering of shares in, and listing of, the Company on the Mainboard of the SGX-ST in November 2017. The Sole Issue Manager, Bookrunner and Underwriter assumes no responsibility for the contents of this announcement.

The Board of Directors (the "**Board**") of MindChamps PreSchool Limited (the "**Company**") wishes to announce the latest transaction entered into with the same interested person during the financial year ended 31 December 2018 ("**FY2018**") pursuant to Rule 905(2) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual.

Description of the Interested Person Transaction

The Company has entered into an Assets Sale and Purchase Agreement with MindChamps Family Online Pte. Limited ("**Family Online**") pursuant to which the Company has purchased all of the electronic books and related applications, software and materials developed and owned by Family Online (the "**E-books**") at a purchase consideration of S$989,840.93 (the "**Transaction**").

MindChamps Holdings Pte. Limited ("**MindChamps Holdings**"), a controlling shareholder of the Company, holds 90% of the issued and paid-up share capital of Family Online. Accordingly, Family Online is a subsidiary of MindChamps Holdings and an interested person, and the Transaction entered into between the Company and Family Online constitutes an interested person transaction under Chapter 9 of the SGX-ST Listing Manual.

The aggregate value of all interested person transactions entered into by the Company and its subsidiaries (together, the "**Group**") with MindChamps Holdings and its subsidiaries for FY2018 (not including transactions below S$100,000 and transactions previously approved by shareholders) is S$1,393,229.93, representing 3.98% of the Group's latest audited net tangible assets ("**NTA**") for the financial year ended 31 December 2017. The aggregate value of all interested person transactions entered into by the Group with all interested persons for FY2018 (not including transactions below S$100,000 and transactions previously approved by shareholders) is also S$1,393,229.93.

Rationale for the Transaction

Prior to the purchase, the Company used the E-books as part of its business under a licence from Family Online. However, such licence was non-exclusive to the Company, and Family Online could licence or dispose of the E-books to other parties, which would not be in the interest of the Company. By acquiring the E-books from Family Online, the Company secured exclusive use of the E-books.

Furthermore, the Company intends to upgrade the technology and content of the E-books, including engaging a prominent artist to re-create the visuals in the E-books. By acquiring the E-books from Family Online, the Company would be able to invest in making such improvements to the E-books, exclusively own such improved E-books for use as part of its business and explore potential new revenue streams for the improved E-books.

Audit Committee's Statement

The Audit Committee of the Company is of the view that the Transaction was entered into on normal commercial terms and on an arm's length basis, and is not prejudicial to the interests of the Company and its minority shareholders.

Interests of Directors and Controlling Shareholders

Save as disclosed above, none of the substantial shareholders or directors of the Company have any interest, directly or indirectly, in the above Transaction save for their interest arising by way of their shareholdings and/or directorships, as the case may be.

MindChamps PreSchool Limited
18 March 2019