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

MINDCHAMPS PRESCHOOL @ TPY PTE. LIMITED
DIVESTMENT TO FRANCHISEE

As part of MindChamps PreSchool Limited's Strategic Global Franchising Model, an incubated centre at Toa Payoh has been sold on a turnkey basis to a franchisee to operate.

The Board of Directors (the "**Board**") of MindChamps PreSchool Limited (the "**Company**") is pleased to announce that the Company's wholly-owned subsidiary, MindChamps PreSchool Singapore Pte. Limited (the "**Seller**"), has entered into and completed a Share Purchase Agreement with Iconic Investment Pte. Limited (the "**Purchaser**"), pursuant to which the Seller has sold and the Purchaser has purchased all of the shares of MindChamps PreSchool @ TPY Pte. Limited (the "**Target**"), for a total cash consideration of S$5,085,000 (the "**Consideration**") (the "**Transaction**").

The Target is a private company limited by shares incorporated in Singapore and carries on the business of providing educational services for preschoolers under the MindChamps PreSchool brand name (the "**Business**") at 490 Lorong 6 Toa Payoh, #05-12 HDB Hub Biz 3, Singapore 310490 (the "**Centre**"). After completion of the Transaction, it is envisaged that the Target will continue to operate the Business at the Centre pursuant to a Franchise Agreement entered into between the Target and the Seller, and under which the Target will pay royalties to the Seller.

The Consideration was arrived at on an arms' length, willing-seller-willing-buyer basis, after taking into account various factors such as the existing assets, financial position and business prospects of the Target. As at 31 December 2018 (based on the audited financial statements of the Target), the book value of the Target was S$2,392,348 and the net tangible asset value of the Target was S$2,383,633.

The above Transaction is in the ordinary course of business of the Company and is announced pursuant to Rule 704(18)(c) of the Singapore Exchange Securities Trading Limited Listing Manual. The Transaction is expected to have a material positive impact on the consolidated earnings per share and net tangible assets per share of the Company and its subsidiaries for the financial year ending 31 December 2019.

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

MindChamps PreSchool Limited
2 January 2020