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

DISPOSAL OF ALL OF THE SHARES OF MINDCHAMPS PRESCHOOL @ UPT PTE. LIMITED

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 a Share Purchase Agreement ("**SPA**") with Yirong Education Pte. Ltd. (the "**Purchaser**"), pursuant to which the Seller wishes to sell and the Purchaser wishes to purchase all of the shares of MindChamps PreSchool @ UPT Pte. Limited (the "**Target**"), for a total cash consideration of S$800,000 (the "**Consideration**"). The Purchaser had previously purchased MindChamps PreSchool @ Changi Business Park Pte. Ltd. from the Seller, and continues to own and operate MindChamps PreSchool @ Changi Business Park as a franchisee of the Seller.

The Target is a private company limited by shares incorporated in Singapore and carries on the business of providing educational services and delivering courses and programmes for preschoolers under the MindChamps PreSchool brand name. As at the date of this announcement, the Target is a direct wholly-owned subsidiary of the Seller and an indirect wholly-owned subsidiary of the Company.

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. The book value of the Target was S$417,259 and the net tangible asset value of the Target was (S$106,199) (based on the unaudited management accounts of the Target as at 31 October 2020).

The said transaction is expected to have a 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 2021.

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
5 December 2020