MindChamps® preschool

# CHALLENGING & UPLIFTING EDUCATION STANDARDS GLOBALLY

Annual Report and Sustainability Report 2025

## OUR VISION

To nurture the power of human potential for a better tomorrow.

## OUR MISSION

To build a world of MindChampions who possess the 3 Minds (Champion, Learning & Creative) and are empowered with the mindset of 100% RESPECT, Zero Fear.

## SOCIAL CHARTER

To challenge and lift education standards globally and to provide educational opportunities to those who would not otherwise have the means.

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# The MindChamps Journey

## 1998
- Launched as an educational research centre in Sydney, Australia. It was the start of our research and development.

## 2002
- Established global headquarters in Singapore.

## 2008
- Sold 22 franchise licenses prior to the operation of our first (company owned) centre in Toa Payoh HDB Hub.
- Launched the first MindChamps PreSchool centre in Singapore. It was fully booked with a waiting list of three months.

## 2009
- Launched six MindChamps PreSchool centres in Singapore.

## 2015
- Expanded into global markets. Launched the first MindChamps International PreSchool centre in the Philippines.

## 2016
- Launched MindChamps' first Chinese PreSchool in Singapore.

## 2017
- Listed on the Mainboard of the Singapore Exchange. We are the first preschool to be listed.
- Launched four Early Learning & PreSchool centres in Australia.

## 2018
- Launched seven MindChamps Early Learning & PreSchool centres in Australia.

## 2019
- Dr Joseph A. Michelli, #1 New York Times and Wall Street Journal Best Selling Author, released the book: The MindChamps Way: How To Turn An Idea Into A Global Movement.
- Launched eight MindChamps Early Learning & PreSchool centres in Australia.
- Launched the first MindChamps PreSchool in Malaysia.
- Launched the first MindChamps International PreSchool centre in Myanmar.

## 2020
- Launched our 40th preschool centre in Singapore
- Opened our first Performing Arts PreSchool in Singapore. It is a collaboration with one of Australia's top theatre schools, Actors Centre Australia (ACA), the alma mater of Hollywood actor Hugh Jackman.

## 2021


- Expanded and upgraded MindChamps PreSchool @ Toa Payoh Central and MindChamps PreSchool @ Woodlands with MindChamps Version 2.0's unique 'WhiteSpace' design classroom and curriculum.
- MindChamps Music™, a core part of the MindChamps Version 2.0 curriculum, achieved patent-pending status in the U.S. and Singapore (U.S. Patent Pending: 17/644,293, Singapore Patent Pending: 10202113952V).
- Opened a new centre in Malaysia at the integrated township of Sunsuria City.

## 2022

- Opened two new centres in Indonesia.
- Launched the MindChamps Franchise System into Australia with a pioneer group of 10 franchisees.
- Incorporated MindChamps USA in Florida.
- Partnered with the University of South Australia to research research multi-prong approaches to education-based research such as multiple literacies and the impact of augmented reality and technology on learning.
- Staged I'm Proud of You: ChampsFest 2022 at Marina Square, Singapore.

## 2023

- Signed two Sale Agreements in the US in March 2023 and September 2023 respectively.
- Signed a Sale Agreement to take the MindChamps Movement to Western Australia.
- Initiated a new research programme in collaboration with the University of South Australia to examine how MindChamps' proprietary programmes simultaneously stimulate multiple cognitive functions in preschool children.
- Achieved a judgement against two defendants who had set up a 'copycat' MindChamps PreSchool in a rare and significant victory for IP protection in China.
- Staged I'm Proud of You: ChampsFest 2023 at Marina Square, Singapore.

## 2024

- Signed two exclusive business territory Sale Agreements for Southern Australia and Queensland.
- Appointed 2020 Australian of the Year and world-renowned ophthalmologist Dr James Muecke as Senior Fellow of the MindChamps Global Research & Programme Development Team.
- Made history as the first to attain Patent Status for its breakthrough education methodology in 3 major territories – the US (Patent No: 11,790,800), UK (Patent No: GB2607416), and Australia (Patent No: 2022202096).
- Announced a Memorandum of Understanding with Western Sydney University aimed at revolutionising early childhood education, enhancing workforce development, and fostering global pathways for education.
- Hosted I'm Proud of You: ChampsFest 2024 at Marina Square, Singapore.

## 2025

- Made history by achieving a fourth patent for its breakthrough education methodology in Singapore (10202113952V) along with patents in the US, UK and Australia.
- MindChamps partnered with Western Sydney University MindChamps to launch the MindChamps – Western Sydney University Academy.
- World children's sensation Emma Memma joined forces with MindChamps to bring her Dance Island Party show to Singapore, along with new songs to be integrated into the MindChamps PreSchool curriculum.
- MindChamps teamed up with JAGM Capital, with support from Northgate Developments, to launch 60 state-of-the-art childcare centres in Victoria, Australia over the next six years.
- Hosted I'm Proud of You: ChampsFest 2025 at Marina Square, Singapore.
- Opened the first MindChamps Early Learning & Preschool centre in Attadale, Western Australia.

# Awards & Accolades

### BRANDING

### Mark of Distinction (Early Learning and Preschool category) 2025

**Superbrands**

For the ***twelfth year in a row***, we won Singapore's Choice award from Superbrands. Superbrands is the world's largest international brand awards programme operating globally in more than 90 countries.

### Top Brands Award (Preschool Education Category)

**Influential Brands**

MindChamps has attained the Influential Brands Top Brands Award for ***eleven years running****, cementing our status as a well-loved top-of-the-mind brand.

****MindChamps was previously accorded this award in 2014, 2015, 2016, 2017, 2018, 2019, 2021, 2022, 2023 and 2024. In 2020, there was no Top Brands Award (Preschool Education Category).***

MindChamps was founded with the vision to fill educational gaps, improve education practices around the world and enable consistent quality education for every child. Together, at MindChamps, we are nurturing the power of human potential for a better tomorrow.

For more information on our previous wins, please visit **www.mindchamps.org/about/awards/**

# Corporate Profile

## Taking the MindChamps education movement from Singapore to the world

The only preschool brand listed on the Singapore Exchange with stature to command the world stage.

MindChamps PreSchool grew from a passion for filling gaps in education systems worldwide. With a vision to provide the world's best early childhood curriculum and care, we focus on the skills and strategies of learning. We emphasise teaching the 'how to learn' rather than the 'what to learn'.

First launched as an educational research centre in Sydney, Australia in 1998, MindChamps established its global headquarters in Singapore in 2002. MindChamps subsequently listed on the Singapore Exchange in November 2017.

MindChamps is helmed by a highly experienced management team and an esteemed Global Research & Programme Development Team chaired by world-renowned neuroscientist Emeritus Professor Allan Snyder (Fellow of the Royal Society). We are the only educational institute where Emeritus Professor Snyder's empirical research of the revolutionary 3-Mind model of education – the Champion, Learning and Creative Mind – is uniquely built into the MindChamps curriculum.

Based on a cutting-edge, scientifically researched curriculum, MindChamps draws inspiration and research from international experts from the 4 Domains of Education, Psychology, Neuroscience, and Theatre.

MindChamps PreSchool holds the Number One position in market share of premium range preschools in Singapore*. Its growing global presence includes over 80 centres globally.

**Based on independent market research as of 15 September 2017*

# Executive Chairman's Message

**Dear Valued Shareholders,**

In 1998, when we founded MindChamps, the most influential company in the world did not dominate because it manufactured computers — hardware could always be replicated. It led because of its software. Even its name, Microsoft, reflected that truth.

From the beginning, we understood that if we were to make a meaningful and lasting difference in global education, we could not build our future on the "hardware" of the sector — buildings, design or physical infrastructure.

Instead, we committed to building the **"software" of education**: a research-driven, integrated system of curriculum, pedagogy and learning environment — designed to be **transferable, consistent and scalable across markets.**

## A Decade of Foundations

To realise this vision, we invested our first ten years almost entirely in research and development.

This was not a commercial decision. It was a conviction.

We sought to understand what the developing brain would require in an age of exponential information, increasing complexity and, ultimately, Artificial Intelligence. Long before AI became a global conversation, we were already asking: *What kind of mind will thrive in such a world?*

This work culminated in the book, *The 3-Mind Revolution*, which I co-authored with our Dean of Research and Program Development, Brian Caswell.

In it, we articulated a new framework for education — built on the development of three integrated capacities:

- the **Learning Mind**,
- the **Creative Mind**, and
- the **Champion Mind** — which underpins them both.

Crucially, this was not just a philosophy. It was engineered as a **system** — capable of being trained, measured and scaled without dilution of quality.

It became the first recognisably new early childhood education model since Montessori (19th century) and Reggio Emelia (20th Century) and has been described by New York Times and Wall Street Journal bestselling author Dr Joseph A. Michelli as "the Education Movement of the 21st Century."

## From Intellectual Property to Scalable Model

The success of MindChamps PreSchool across Singapore, Australia and internationally reflects the strength of this educational "software".

While physical environments can be replicated, very few organisations can replicate a deeply researched, systematically executed framework for learning — and fewer still can **scale it**.

This is the critical distinction.

Because our model is built on structured pedagogy, codified curriculum and rigorous training systems, it allows us to expand into new markets **with consistency, integrity and speed** — without dependence on any single location or individual.

Hardware-led models fragment as they grow. Software-led systems strengthen.

As the sector has expanded, "copycat" models have emerged — often replicating surface-level design or branding. What cannot be replicated is the underlying architecture: the research, methodology, training systems and intellectual property that bring the model to life.

Today, we are proud to reinforce that distinction.

In addition to our patents in the United States, the United Kingdom and Australia, we have now secured our **fourth international patent** — in Singapore.

This is more than a milestone.

It is validation that what we have built is **original, defensible and scalable across jurisdictions**.

## Scaling into Australia and the United States

This scalability is now being realised through our continued expansion into Australia and now, the United States.

Australia, where MindChamps was born, remains a key growth engine. In Victoria, we signed a landmark agreement to launch 60 new centres over the next six years. In Western Australia, we expanded our footprint with the opening of our Attadale centre, strengthening our national presence while maintaining operational quality and training consistency.

In the United States, where the market remains highly fragmented, demand is growing for early childhood education solutions that are research-based and consistently deliverable across multiple locations. Our software-led model is built for exactly this kind of disciplined expansion.

Through our Multiple Franchise Agreement and Master Franchisee appointment across key regions, including the District of Columbia, Maryland and Virginia corridor, we have already established a strong platform for scalable growth.

Importantly, we are not exporting a concept. We are deploying a proven system, built over decades, protected by IP, validated internationally, and designed to scale without compromise.

## Why This Matters Now

We are entering a period of unprecedented change. As AI transforms how knowledge is accessed and applied, advantage will lie not in information, but in the **quality of the mind** using it.

That is why mindset is everything, and why education needs to be turned upside down. The real point of impact is not tertiary education, but early childhood, where the foundations for future success are laid.

This is the future we have been building towards. Our focus on the Champion, Learning and Creative Minds gives us both an educational advantage and a scalable platform for global growth.

## Looking Forward

As we expand globally, we remain anchored to a simple principle:

That true leadership in education comes not from what is most visible, but from what is most deeply built — and most effectively scaled.

On behalf of the MC Global team, I would like to thank our shareholders for your belief in this vision.

We are confident that the foundations we have laid position MindChamps not only to grow, but to lead in the decades ahead.

**Mr David Chiem**
Executive Chairman

# Board of Directors

**MR DAVID CHIEM**
Executive Chairman

Mr David Chiem ("Mr Chiem") has been our Director and Chief Executive Officer since 25 July 2008.

Mr Chiem's approach of always 'staying ahead of the curve' has taken the organisation from point zero in 2008 to the number one brand position in market share in the highly competitive Singapore premium preschool space and hailed as a global education movement.

MindChamps successfully listed on the Mainboard of the Singapore Exchange in 2017, leading to the creation of a globally recognised preschool brand. Hailed as a global education movement, MindChamps PreSchool has since expanded with over 80 centres internationally.

His vision for MindChamps was to create an organisation to fill the educational gaps and improve education practices across the world.

Mr Chiem's illustrious business achievements have gained him industry recognition and won him numerous international awards, including:

**2024: Innovator of the Year (Singapore Business Review Management Excellence Awards)**

**2022: Asia's Most Influential Entrepreneur (Fortune Times Magazine)**

**2020: Master Entrepreneur (Enterprise Asia)**

**2019: Entrepreneur of the Year (Australian Chamber of Commerce, Singapore)**

**2018: Asia's Greatest Leaders (AsiaOne Magazine & PricewaterhouseCoopers)**

**2016: Top CEO Brand Leader of the Year (Influential Brands®)**

**2014: Top 10 CEOs of the Year (Peak Magazine)**

**2013: Franchisor of the Year (Franchising & Licensing Association [Singapore])**

**2010: Outstanding Entrepreneur of the Year (Enterprise Asia)**

**2008: Entrepreneur of the Year (Rotary Club of Singapore / ASME)**

Mr Chiem brings to his work in education, a rich background in the Arts. The celebrated author of 6 critically acclaimed books, he came to business after a highly successful career in the world of theatre and film. It was a career that proved to be the perfect preparation for leading an innovative organisation with depth of research and strategic planning and execution.

Mr Chiem sits on the boards of our non-listed subsidiaries and the MindChamps Holdings Pte. Limited group of companies. He is the Chairman of Actors Centre Australia, one of the top acting schools in Australia, with Hugh Jackman as its patron.

He studied Theatre at the Theatre Nepean and holds a Bachelor of Arts in Communication from the University of Technology, Sydney. He also graduated with a Specialist in Producing from the Australian Film Television and Radio School.

## MR TEO SER LUCK

Independent Director
Chairman of Nominating Committee
Member of Audit Committee
Member of Remuneration Committee

Mr Teo Ser Luck ("Mr Teo") was appointed as our Independent Director on 14 August 2025.

Mr Teo is an entrepreneur and investor. He is currently the Independent Non-Executive Chairman of BRC Asia Limited, Deputy Chairman of Serial Systems Limited, Lead Independent Non-Executive Director of China Aviation Oil (Singapore) Corporation Ltd, Independent Non-Executive Director of Super Hi International Holding Ltd, Lead Independent Director of Straco Corporation Limited and Independent Non-Executive Director of Yanlord Land Group Limited, companies listed on the Mainboard of the Singapore Stock Exchange. He is an advisor to the Institute of Chartered Accountants of Singapore and Singapore FinTech Association.

Mr Teo holds a Degree in Accountancy from Nanyang Technological University ("NTU"). He spent 15 years in the private sector before being elected as a Member of the Parliament of Singapore and appointed as a full-time political office holder for 11 years. He returned to the private sector in July 2017 and remained as a Member of the Parliament till June 2020.

Throughout his private sector career, Mr Teo has taken on management positions as head of sales, marketing and business operations before progressing to lead and oversee companies as Regional Director, General Manager and Managing Director of multi-national operations in the Asia Pacific. He has worked in Hong Kong, China, Thailand, and India, and has helped to start companies. He was also the founding investor of a listed multi-national software company. Prior to politics, he was overseeing DHL Express (Singapore) Pte Ltd.

Mr Teo was recognised as a young global leader by the World Economic Forum for his contribution to the business and community services sectors. He also received the Outstanding Young Alumni Award from his alma mater NTU for continuing to make a difference in public service. While in the private sector, he has also received accolades as a global outstanding manager in business and operational excellence.

He was instrumental in leading Singapore's successful bid for the inaugural Youth Olympic Games (YOG) that was held from 14 to 26 August 2010. He was also the Advisor to the Singapore 2010 YOG Organising Committee and the Mayor for the Youth Olympic Village.

Mr Teo was formerly the Minister of State for Ministry of Trade and Industry, Senior Parliamentary Secretary in the Ministry of Transport and Ministry of Community Development, Youth and Sports, Minister of State for Ministry of Manpower, Mayor of the North East District of Singapore, Chairman of Singapore-Shandong Bilateral Business Council and Vice Chairman of Singapore-Jiangsu Bilateral Business Council.

## PROFESSOR PETRINA SUE COVENTRY

Independent Director
Chairman of Remuneration Committee
Member of Audit Committee
Member of Nominating Committee

Professor Petrina Sue Coventry ("Prof Coventry") was appointed as our Independent Director on 30 September 2022.

Prof Coventry has more than 20 years of experience developing and leading global business teams across the US, Asia, and Europe in Education, Healthcare, Digital, Nuclear, Energy, FMCG & Financial Service sectors, holding positions of VP for the Coca-Cola Company and the General Electric Company in the areas of HR, Governance, Health & Safety and Research. She was a Global Vice-President for Knowledge Universe and Senior Partner for COI Capital Asia and is an Industry Professor at Adelaide University, a Non-Executive Director for Regional Development Australia, the Australia Health Practitioner Regulatory Authority (AHPRA), Skin Cancer College Australasia and a Director for the Centre for Male Health & Wellbeing at the South Australian Health and Medical Research Institute (SAHMRI).

Prof Coventry holds a PhD from Melbourne University, a Global EMBA from Sydney University, an MBA from the University of South Australia, a Master of Ethics from the University of South Wales and a Bachelor's Degree in Education from the University of Technology in Sydney. She is a Fellow of the Australian Company of Board Directors (FAICD), a Fellow of the Australian Human Resource Institute (FAHRI), a Fellow of the College of Fellows of the Australian Institute of Health and Safety (FAIHS), a Vincent Fairfax Fellow (VFF), and a previous Chairperson of the Adelaide University Business School Advisory Board.

## DR ROGER NEIL SEXTON AM

Independent Director
Chairman of Audit Committee
Member of Nominating Committee
Member of Remuneration Committee

Dr Roger Neil Sexton AM ("Dr Sexton") was appointed as our Independent Director on 28 April 2023.

Dr Sexton is a leading investment banker having 25 years of Director and Chief Executive experience in the Asia Pacific region. After spending the first 14 years of his career in high level public service roles in both the Commonwealth Government of Australia and the South Australian State Government, he held positions as Executive Director of Morgan Grenfell Australia Limited and Challenger Group Limited. He has specialised skills and experience in corporate reconstructions and undertook a number of "work out" roles in Beneficial Finance Ltd on behalf of the State Bank of South Australia in the early nineties. In 1994, he was appointed as Chairman of the Asset Management Task Force to take responsibility for managing the rehabilitation and sale of some AUD 7 billion of Government assets.

As Founder of the Beston Pacific Group, he has started and developed a number of substantial companies, the most recent being Discovery Holiday Parks, the largest owner/operator of caravan parks in Australia. Dr Sexton is the former Chairman of the AUD 90 billion fund manager, IOOF Holdings Limited (now called Insignia Financial Ltd) and the current Chairman of financial services company, KeyInvest Limited.

He served as a Member of the Australian Accounting Standards Board from 2010 to 2013.

Dr Sexton has PhD, Masters and Bachelor degrees in Economics. He is a Board Member and Patron of a number of charities and not-for-profit organisations in Australia including, Chairman of the Karmel Foundation at Flinders University and Principal Patron of the Freemasons Foundation Centre for Male Health and Wellbeing at the University of Adelaide. He is a Fellow and past President of the Australian Institute of Company Directors and Senior Fellow of the Financial Services Institute of Australia. Dr Sexton was awarded a Member of the Order of Australia in the 2011 Queen Elizabeth's Birthday Honours.

## MS CATHERINE DU

Non-Independent
Non-Executive Director

Ms Catherine Du ("Ms Du") is the Co-Founder and Director of the MindChamps group. As a thoughtful leader who is dedicated to making a positive impact in the field of education, she has been instrumental in the company's growth and expansion globally, with a keen focus on addressing the global gap in early childhood education.

As a mother of two children, Ms Du recognises that the formative years of a child's life lay the foundation for shaping their character and instilling a lifelong love of learning. This realisation fueled the initiative to establish MindChamps Preschool, which provides an all-encompassing, high-quality schooling that inspires children to enjoy learning every day from which her children have benefited. Alongside a thoroughly researched curriculum, Ms Du believes that teachers play a vital role in guiding children to develop their own character, having a curious and creative mind, empathy for others, and a positive outlook. Consequently, MindChamps is committed to providing continual teacher training and development to ensure that they are equipped to inspire each child's fullest potential.

With over 30 years of education and business experience, Ms Du's on the ground hands-on leadership approach has been instrumental in driving the growth and expansion of the Group in various areas, including operations, international franchise, and business development. During the set-up stage of MindChamps Australia, Ms Du served as its interim Chief Executive Officer, further highlighting her expertise in the field.

Ms Du's commitment to education and humanity extends beyond the MindChamps group, as she is actively involved in various charity and education initiatives, particularly for women and children in third world countries. Her passion and philosophy are evident in her continued research and advice on initiatives for the Group.

# Executive Officers

**MR DAVID CHIEM**
Executive Chairman

Mr Chiem has been Executive Chairman since the Company's creation in 2008. Please see "Board of Directors" on page 8.

**MR YIP BAO CHUNG (JEVONS)**
Chief Financial Officer

Mr Yip Bao Chung (Jevons) ("Mr Yip") is our Chief Financial Officer. Joining MindChamps as a Financial Controller in 2008, his subsequent 16 years of consistent delivery and achievement of key performance indicators led to his promotion from Group Treasurer & General Manager to Chief Financial Officer on 15 October 2024. He is responsible for the MindChamps Group's finance related functions including financial management, treasury, taxation and investor relations.

Mr Yip is a Fellow of CPA Australia (FCPA) and holds a Bachelor of Business (Accounting and Finance) from University of Technology Sydney as well as a Specialist Diploma in Data Science (Vision and Language Analytics) and Specialist Diploma in Data Science (Artificial Intelligence).

**MS PEH POH GEOK**
Global Chief Brand Officer and
Chief Operating Officer

Ms Peh Poh Geok ("Ms Peh") is our Global Chief Brand Officer and Chief Operating Officer. As one of the pioneers of MindChamps, Ms Peh is instrumental as the brand champion spearheading the MindChamps brand positioning, culture and business growth over the last 20 years.

She is responsible for driving the visibility, values and strength of the brand across all touchpoints in Singapore and across the world. Under her dynamic leadership, MindChamps received the following branding and marketing accolades:

- **In 2025, MindChamps was the only preschool brand to be awarded the Superbrands® Mark of Distinction for twelve consecutive years, 2014 – 2025**

- **In 2025, MindChamps attained the Influential Brands® Top Brands Award for eleven years running.**

- **MindChamps is the only preschool to be recognised as an Inspirational Brand at the Asia Pacific Enterprise Awards 2020 Regional Edition**

- **2018 Asia's Greatest Brands Award presented by United Research Services and AsiaOne Magazine**

- **The Established Brand – Singapore Prestige Brand Award 2011, organised by the Association of Small and Medium Enterprises and Chinese Newspaper Lianhe Zaobao**

Ms Peh is a highly experienced and diversified strategic leader in branding, sales, marketing, business growth and operations in Singapore and the region. She embodies MindChamps' commitment to the creation of educational opportunities where they would not otherwise exist. This stems from her strong belief in the vision of making the world a much better place to live in by nurturing generations of MindChampions who possess the 3 Minds and face the world with 100% Respect and Zero Fear.

Ms Peh holds a Bachelor of Arts with a double major in Economics and Sociology and a minor in Statistics from the National University of Singapore.

# Financial Highlights

## THREE-YEAR

REVENUE

**60.35**
**million**

[2024: 62.96 million]
[2023: 60.12 million]

NET DEBT

**7.76**
**million**

[2024: 10.03 million]
[2023: 9.90 million]

GROSS PROFIT

**28.75**
**million**

[2024: 30.18 million]
[2023: 28.40 million]

NET PROFIT

**2.07**
**million**

[2024: 0.24 million]
[2023: 5.16 million]

NET CASH PROVIDED BY OPERATING ACTIVITIES

**8.37**
**million**

[2024: 3.41 million]
[2023: 7.02 million]

All figures are in Singapore Dollars

# Operating Review


*Mr David Chiem, Executive Chairman, MindChamps, His Excellency Allaster Cox, and Australian High Commissioner Distinguished Professor George Williams AO, Vice-Chancellor and President of Western Sydney University, together with our K2 Champs.*

## MindChamps: Challenging & Uplifting Education Standards Globally

In 2025, we took significant steps forward in Singapore, Australia and internationally to fulfil our Social Charter to challenge and lift education standards globally and to provide educational opportunities to those who would not otherwise have the means.

In August 2025, we secured a fourth patent for our Music in Education methodology in Singapore (Patent no: 10202113952V).

October 2025 saw the launch of the MindChamps - Western Sydney University Academy. The event was graced by His Excellency Allaster Cox, Australian High Commissioner to Singapore, together with the Vice Chancellor of Western Sydney University.


*Elvin Melvin, Emma Memma (Dr Emma Watkins), Ms Michelle Peh, Global Chief Brand Officer & Chief Operating Officer, MindChamps, and Mr David Chiem, Executive Chairman*

World children's sensation Emma Memma joined forces with MindChamps to bring her Dance Island Party show to Singapore. New songs from Emma Memma will be integrated into the MindChamps PreSchool curriculum in Singapore and Australia.

In Australia we signed a landmark agreement to launch 60 new MindChamps Early Learning and PreSchool centres in Victoria over the next six years in partnership with JAGM Capital, supported by Northgate Developments.

*Top row (Left to right): Nicholas Caswell, Deputy Director, Business Development, MindChamps; Lawrence Tan, Chief Global Partnerships Officer, MindChamps; Michael Bronfman, Chief Commercial Officer & MD, JAGM Capital; George Markakis, Franchise Director, JAGM Capital. Front row (Left to right): Jordan De Bortoli, Property & Development Director, JAGM Capital; David Chiem, Executive Chairman, MindChamps; Angelo De Bortoli, Managing Director, Northgate Developments*

We also opened our first MindChamps Early Learning & Preschool Centre in Victoria, located in Melton, Melbourne, with a capacity for 105 children.

In Western Australia, we strengthened our footprint with the opening of our MindChamps Early Learning & PreSchool centre in Attadale.

Additionally, we are transitioning our Chatswood centre in North Sydney into a Bilingual Mandarin Preschool, catering to 65 children.

In the United States, we signed a Multiple Franchise Agreement and appointed a Master Franchisee for the District of Columbia, Maryland and Virginia region.

As at the end of 31 December 2025, we have 85 centres globally.

- **We are the only preschool to achieve the Superbrands Mark of Distinction Award for 12 consecutive years (2014 – 2025).**
- **We have once again made history by achieving a fourth patent for our breakthrough education methodology in Singapore (10202113952V)**
- **We partnered with Western Sydney University MindChamps to launch the MindChamps – Western Sydney University Academy.**

# Financial Review

The financial year ended 31 December 2025 ("FY2025") saw an improvement in the Group's profitability. Despite a reduction in revenue, the Group recorded higher earnings compared to the financial year ended 31 December 2024 ("FY2024").

## 1) Profitability and Earnings

The Group recorded a profit before tax ("PBT") of $2.1 million in FY2025, an increase of approximately $1.6 million from $0.5 million in FY2024. Profit after tax ("PAT") was $2.1 million, an increase of approximately $1.9 million from $0.2 million in FY2024. The increase was mainly attributable to gains from corporate transactions and lower administrative expenses.

## 2) Revenue and Gross Margin

Group revenue decreased by approximately $2.6 million or 4%, from $63.0 million in FY2024 to $60.4 million in FY2025. The decrease was mainly attributable to lower school fees revenue arising from:

- the disposal of a preschool centre business in 1H 2025; and
- the divestment of a subsidiary corporation in late 2024.

Despite the reduction in the scale of operations, the Group's gross profit margin remained stable year-on-year.

## 3) Cost of Sales and Expenses

We remain committed to streamlining our cost structure to ensure long-term sustainability:

- **Cost of Sales**

  Cost of sales decreased by approximately $1.2 million or 4%, from $32.8 million in FY2024 to $31.6 million in FY2025. The decrease was mainly due to a reduction of $1.7 million in centre teachers' costs, partially offset by an increase of $0.5 million in commission expenses.

- **Administrative Expenses**

  Administrative expenses decreased by approximately $2.3 million or 7%, from $31.8 million in FY2024 to $29.5 million in FY2025. The decrease was mainly attributable to:

  (a) the disposal of a preschool centre business in FY2025 and divestment of a subsidiary corporation in FY2024, which contributed approximately $0.8 million of administrative expenses in FY2024; and

  (b) a decrease of $1.0 million in manpower expenses and a reduction of $0.4 million in depreciation and amortisation.

- **Finance Expenses**

  Finance expenses decreased by approximately $0.1 million or 7%, from $2.3 million in FY2024 to $2.2 million in FY2025, mainly due to lower interest expenses following the repayment of borrowings during FY2025.

## 4) Strategic Gains and Provisions

- **Gain from Corporate Transactions**

  Gain from corporate transactions increased by approximately $2.0 million, from $0.9 million in FY2024 to $2.9 million in FY2025. The increase was attributable to a higher selling price from the disposal of a preschool centre business in FY2025.

- **Impairment of Financial Assets**

  Impairment of financial assets increased by approximately $0.4 million or 52%, from $0.7 million in FY2024 to $1.1 million in FY2025, due to higher specific provisions for doubtful debts.

## 5) Currency Translation

Currency translation gain arising from consolidation increased by approximately $5.7 million, from a loss of $4.5 million in FY2024 to a gain of $1.2 million in FY2025. The exchange differences arose from the translation of the financial statements of the Group's Australian operations, which have functional currencies different from the Group's presentation currency.

Looking ahead, the Group remains focused on driving organic growth while maintaining the lean operational profile.

# Sustainability Report 2025


# Board Statement

MindChamps PreSchool Limited (**"MindChamps"**) is pleased to present our Sustainability Report (this **"Report"**) for the financial year ended 31 December 2025 (**"FY2025"**).

At MindChamps, we strongly believe in the potential of education to drive positive social change. This belief gives us the impetus to move forward dynamically, as we strive for excellence in leadership and expertise. The vision of our organisation to revolutionise education is becoming a global reality. In Singapore, MindChamps PreSchool holds the Number One position among premium range preschools in Singapore, with a market share of 38.5 per cent , and we continue to transform and grow each day.

As the Board of Directors (the **"Board"**), we recognise the importance of sustainability and seek to contribute to our environment and society through our business activities as a responsible corporate citizen.

We are supported by the sustainability task force (**"STF"**), which is comprised of C-suite and senior management, to ensure that MindChamps' sustainability initiatives are aligned with the long-term business strategy of taking the MindChamps education movement from Singapore to the world. Through the STF, we oversee the management and monitoring of the Environment, Social and Governance (**"ESG"**) factors.

In FY2025, we stayed committed to prioritising the safety of our employees and students. We have implemented the safety protocols and educated our employees on the necessary measures to ensure that they are well-prepared in keeping themselves and our students safe.

We have also implemented initiatives to track and reduce our impact on the climate, including tracking our electricity and water consumption. We recognise that as a leader in the education sector, we play an important role in inculcating the right values in our students and will strive to impart the value of sustainability practices to our students through our curriculum.

This Report outlines MindChamps' position on integrating sustainability into our strategies and operations and provides an overview of our policies, practices, sustainability initiatives, and performance during FY2025.

**The Board of Directors**
**MindChamps PreSchool Limited**

[1] *Based on independent market research as of 15 September 2017.*

# About This Report

This Report sets out MindChamps' sustainability initiatives and performance for our Singapore and Australian operations during FY2025.

This Report has been prepared with reference to the Global Reporting Initiative (**"GRI"**) Standards and the SGX-ST Listing Manual (Rules 711A and 711B).

Together with our Annual Report 2025, this Report aims to provide an overview of MindChamps' overall objectives and performance for our stakeholders.

MindChamps has not sought external assurance for this Report. While the data and information provided within this report have not been reviewed by an independent third party, we have relied on internal assurance to ensure accuracy. MindChamps welcomes stakeholders' feedback on its sustainability initiatives.

Please send your feedback to us at sustainability@mindchamps.org.

# Sustainability Governance

A sustainability governance structure, comprising the Board, the STF, a Working Team, and employees, is set up to effectively manage MindChamps' sustainability initiatives and performance.

### BOARD OF DIRECTORS

- Responsible for setting MindChamps' sustainability strategies
- Oversees the management and monitoring of material ESG issues

### SUSTAINABILITY TASK FORCE

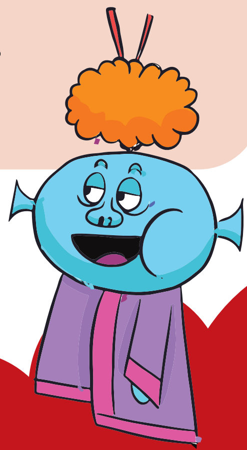
- Comprises C-suite and senior management
- Drives strategies, develops policies and practices and manages overall sustainability performance

### WORKING TEAM

- Implements policies and practices

### EMPLOYEES

- Participate in MindChamps' sustainability efforts



# Materiality Assessment

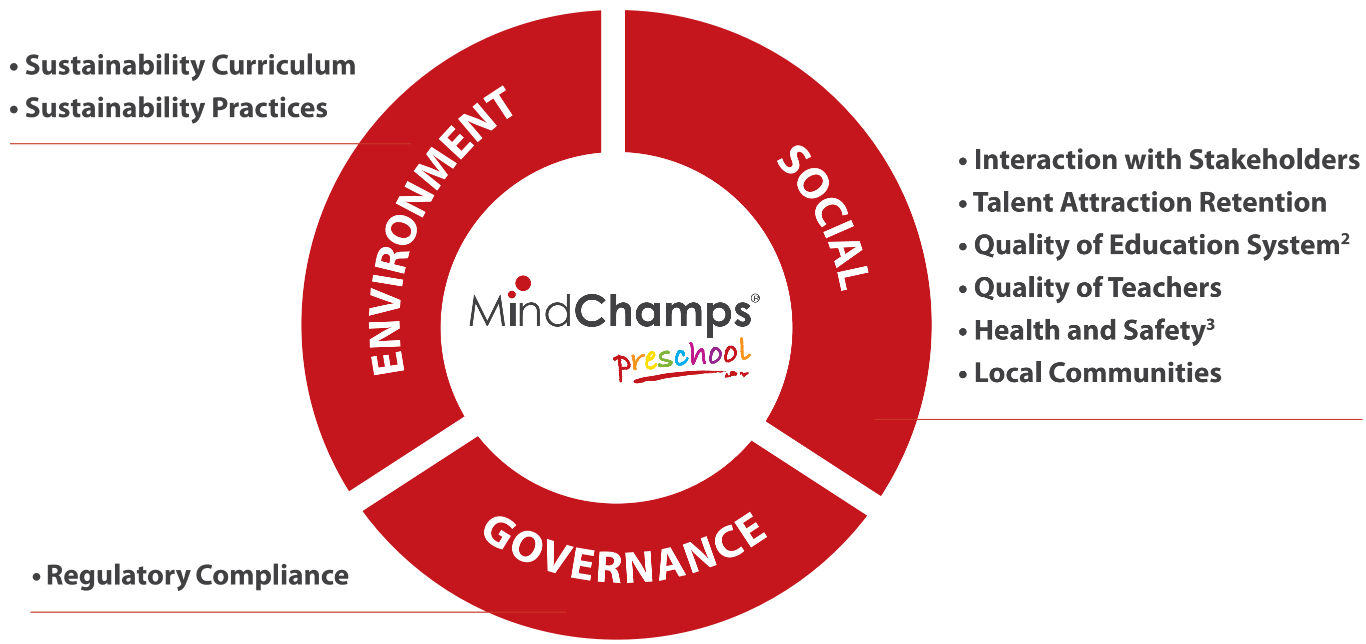
MindChamps conducted a materiality assessment guided by the GRI Materiality Principle.

The objective of the assessment was to identify the ESG factors that are material for both MindChamps' business and our stakeholders.

The Working Team facilitated the three-step assessment process, which involved identifying, prioritising and validating ESG factors that are material to MindChamps.

The assessment process is summarised in the diagram below.


Nine material ESG factors were identified as topics that matter most to MindChamps' business and stakeholders. We categorised the material ESG factors as follow:




[2] *Quality of Education System includes education innovation and technology.*
[3] *Health and Safety includes employees' and students' health and safety.*

# Alignment with SGX Core Metrics

In this Report, MindChamps has considered the Core ESG Metrics defined by SGX and will disclose MindChamps' actions and responses consistent (where applicable) with the Task Force on Clime-Related Financial Disclosures' (TFCD) recommendations. The scope of these disclosures covers Singapore and Australia, the two jurisdictions where we have the largest concentration of childcare centres. Where MindChamps does not consider a core ESG metric to be material to its operations, the reason(s) have also been disclosed.

## ENVIRONMENT

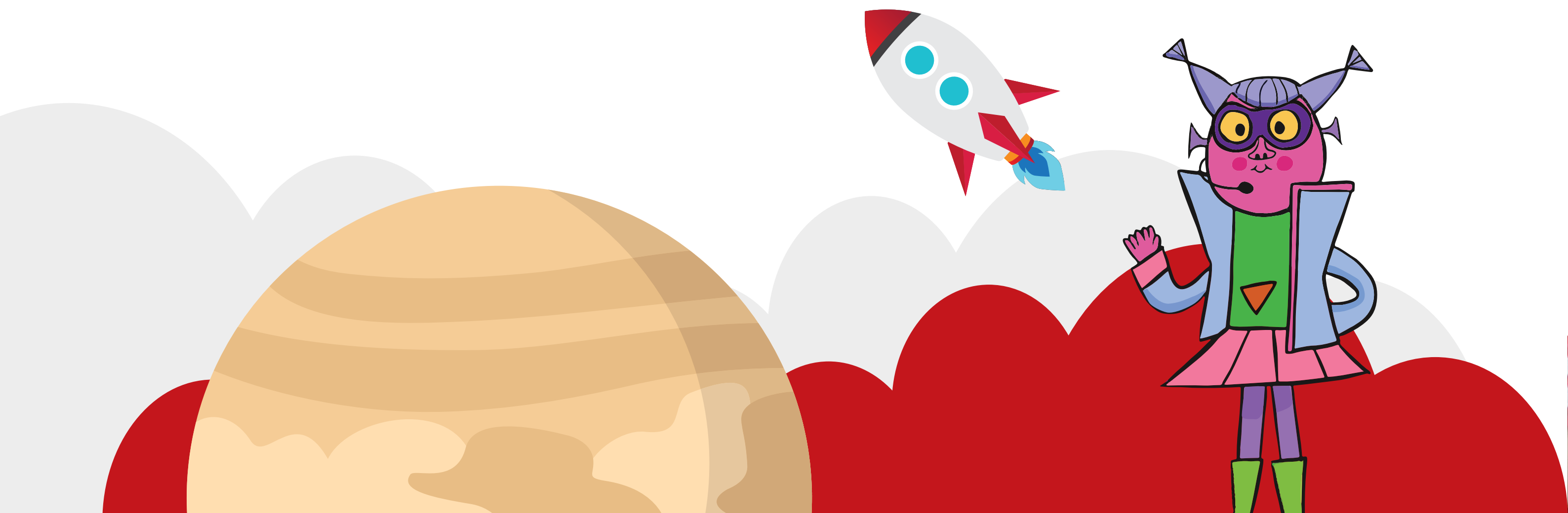
| Topic | Metric | Unit | GRI/Other Frameworks Alignment | MindChamps' Action/Response |
|---|---|---|---|---|
| **Greenhouse Gas Emissions "("GHG")"** | Scope 1 | tCO2e | GRI 305-1, TCFD, SASB 110, WEF core metrics | Not applicable. MindChamps does not own plants and buildings. |
| | Scope 2 | tCO2e | GRI 305-2, TCFD, SASB 110, WEF core metrics | 319 tCO2e. MindChamps' Scope 2 GHG emissions arise from purchased electricity consumed at its leased centres and offices. Emissions were calculated based on available electricity consumption data using grid emission factor of 0.402 kg CO2e/kWh. |
| **Energy Consumption** | Total energy consumption | MWhs or GJ | GRI 302-1, TCFD, SASB 130 | All of MindChamps' centres and offices are leased premises.<br><br>Most of our MindChamps centres do not have independent and/or standalone metres to track its total energy consumption and energy consumption intensity as electricity charges (i) have been factored into the rent and MindChamps is not provided with the relevant electricity consumption data; and/or (ii) is pro-rated by the landlords out of all tenants' energy consumption.<br><br>Nevertheless, MindChamps tracks its energy costs per centre with the aim of reducing its energy costs and/or consumption on a year-by-year comparison.<br><br>Notwithstanding the above and based on available data, MindChamps' total electricity consumption for FY2025 was 794.39 MWh. This is derived from electricity consumption data obtained for its leased centres and offices where such information is available and does not include premises where electricity usage is embedded within rental payments or otherwise not separately metered or disclosed. |
| **Water Consumption** | Total water consumption | ML or m3 | GRI 303-5, SASB 140, TCFD, WEF core metrics | All of MindChamps' centres and offices are leased premises.<br><br>For many of our centres, MindChamps does not have the ability to compute its total water consumption and water consumption intensity as (i) water charges have been factored into the rent and MindChamps is not provided with the relevant water consumption data; and/or (ii) the landlords have issued invoices to the centre(s) based on a pro-rated calculation by the landlords out of all tenants' water consumption.<br><br>Nevertheless, MindChamps has been tracking its water costs per centre with the aim of reducing its water costs and/or consumption on a year-by-year comparison.<br><br>MindChamps believes that its operations do not involve significant amounts of water consumption. |
| **Waste Generation** | Total waste generated | t | GRI 306-3, SASB 150, TCFD, WEF expanded metrics | MindChamps' operations do not generate a significant amount of waste affecting the Earth's climate. |

# SOCIAL

| Topic | Metric | Unit | GRI/Other Frameworks Alignment | MindChamps' Action/Response |
|---|---|---|---|---|
| **Gender Diversity** | Current employees by gender | Percentage (%) | GRI 405-1, SASB 330, WEF core metrics | Our employees are our valued assets and are key resources to the long-term viability of our business. We greatly value the diversity in our workforce and ensure that we do not discriminate against race, age, gender, religion, ethnicity, nationality, physical ability or other physical or demographic factors unrelated to an employee's ability to execute their roles and responsibilities.<br><br>As of the end of FY2025, MindChamps' current Singapore and Australia HQ and preschool operations employees comprise 94.18% women and 5.82% men. MindChamps' new hires by gender comprise 92.79% women and 7.21% men. |
| | New hires and turnover by gender | Percentage (%) | GRI 401-1, WEF core metrics | |
| **Age-Based Diversity** | Current employees by age groups | Percentage (%) | GRI 401-1, WEF core metrics | Of the total number of MindChamps' current employees for its Singapore and Australia HQ and preschool operations, 32.61% are below 30 years old, 53.71% are between 30 and 50 years old, and 13.68% are over 50 years old.<br><br>Of the new hires, 39.34 are below 30 years old, 51.65% are between 30 and 50 years old, and 9.01% are over 50 years old. |
| | New hires and turnover by age groups | Percentage (%) | GRI 401-1, WEF core metrics | |
| **Employment** | Total turnover | Number and Percentage (%) | GRI 401-1, SASB 310, WEF core metrics | Over the course of FY2025, the turnover rate is 29.39% out of our total number of 313 employees in Singapore as at 31 December 2025.<br><br>This reflects the continued strong demand for talent across the early childhood industry, particularly for qualified teachers. In a highly competitive hiring environment, the Group remains focused on attracting, developing and retaining quality talent to support its operations and growth.<br><br>The turnover rate in Australia for FY2025 is 32.14% out of our total number of 252 employees in Australia as at 31 December 2025.<br><br>Australia is facing a high demand and shortage of teachers, mirroring the similar situation faced in Singapore.<br><br>We will continue to monitor the evolution of our staff as we implement our business expansion plans. |
| | Total number of employees | Number | GRI 2-7 | |
| **Development & Training** | Average training hours per employee | Hours/No.of employees | GRI 404-1, WEF core metrics | Our MindChamps corporate employees are required to attend mandatory training, including the MindChamps Way (Culture and Philosophies). Senior managers also participate in additional leadership training.<br><br>Furthermore, our franchisees, MindChamps PreSchool principals, centre directors and teachers are required to undergo mandatory training. Teachers must be accredited by MindChamps before they teach.<br><br>A MindChamps teacher must complete a minimum 200 hours of training, regardless of previous experience or qualifications. |
| | Average training hours per employee by gender | Hours/No.of employees | GRI 404-1, WEF core metrics | |
| **Occupational Health & Safety** | Fatalities | Number of cases | GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320 | As a company operating in childcare and preschool education, ensuring the health and safety of the children, teachers, and staff is vital to our operations.<br><br>In FY2025, as with previous years, MindChamps provided health and safety training to our employees and Champs.<br><br>There have been no fatalities, high-consequence work-related injuries, or recordable work-related illnesses or health conditions arising from exposure to hazards at work in both Singapore and Australia.<br><br>There have been 0 recordable work-related injuries in Singapore and 2 recordable work-related injuries in Australia. |
| | High-consequence injuries | Number of cases | GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320 | |
| | Recordable injuries | Number of cases | GRI 403-9, WEF core metrics, MOM (Singapore), SASB 320 | |
| | Recordable work-related ill health cases | Number of cases | GRI 403-10, WEF expanded metrics, MOM (Singapore) | |

# GOVERNANCE

| Topic | Metric | Unit | GRI/Other Frameworks Alignment | MindChamps' Action/Response |
|---|---|---|---|---|
| **Board Composition** | Board independence | Percentage (%) | GRI 2-9, WEF core metrics | Please refer to our Board composition section in the Annual Report. |
| | Women on the board | Percentage (%) | GRI 2-9, GRI 405-1, WEF core metrics | |
| **Management Diversity** | Women in the management team | Percentage (%) | GRI 2-9, GRI 405-1, WEF core metrics, SASB 330 | Please refer to our Board Structure, Size, Balance and Diversity section in the Annual Report. For our key management personnel comprising the CEO, CFO and the Global CBO/ COO, a third of the KMP composition is a woman. |
| **Ethical Behaviour** | Anti-corruption disclosures | Discussion and number of standards | GRI 205-1, GRI 205-2 and GRI 205-3 | MindChamps has put in place policies to combat and prevent corruption. These policies include MindChamps Gift Declaration Policy, MindChamps Group Finance and Accounting Policies, MindChamps Conflicts of Interest Policy and MindChamps Whistle Blowing Policy. |
| | Anti-corruption training for employees | Number and Percentage (%) | GRI 205-2, WEF core metrics | |
| **Certifications** | List of relevant certifications | List | Commonly reported metric by SGX issuers | As MindChamps operates across multiple jurisdictions, we ensure that all MindChamps centres abide/respect local laws and obtain all the required certifications/licenses/ permits, i.e., ECDA license in Singapore and Department of Education (DOE) license in Australia. |
| **Alignment with Frameworks** | Alignment with frameworks and disclosure practices | GRI/ TCFD/ SASB/ SDGs/ others | SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6 | As stated in this Report, MindChamps has continued using the list of nine material ESG factors it considers vital to its business and stakeholders. MindChamps has nevertheless disclosed in this Report its actions and responses to align with (where applicable) the core ESG metrics defined by SGX. |
| **Assurance** | Assurance of sustainability report | Internal/ External/ None | GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6 | This Report currently does not have external assurance or internal review assessment by internal auditors. |



# Sustainability at MindChamps

MindChamps believes that, as a leader in Singapore's education sector, we should inculcate the right values in our students (our **"Champs"**) and empower them through our curriculum and teaching pedagogy. This is a critical consideration for MindChamps as we continue to strengthen our business through responsible conduct of all our operations.

We address our material factors across three sustainability pillars, namely Environment, Social and Governance. Due to the nature of our business, our approach is focused on people – who are fundamental to the long-term success of MindChamps.

In FY2025, MindChamps accomplished several key milestones and set targets for the coming year to drive continuous improvement in the relevant areas.

## ENVIRONMENT

Working towards a sustainable future

| Material Topic | FY2025 Achievement | FY2026 Target |
|---|---|---|
| **Sustainability Curriculum** | We set sustainability as a key focus of the MindChamps PreSchool curriculum, including the incorporation of environmental elements in-class activities, excursions and year-end concerts, which had the theme of saving the Earth and promoting the ideals of environmental protection and conservation. | We will continue incorporating sustainability as part of the MindChamps PreSchool curriculum to nurture in our Champs the ideals of environmental protection and conservation. |
| **Sustainability Practices** | We carried out sustainability practices, including recycling and reusing materials and reducing paper, water and electricity consumption. | We will continue implementing sustainability practices, including recycling and reusing materials and reducing paper, water and electricity consumption. |

## SOCIAL

Growing together with our people and the community

| Material Topic | FY2025 Achievement | FY2026 Target |
|---|---|---|
| **Interaction with Stakeholders** | We have identified and engaged effectively with key stakeholders to build long-lasting relationships. | We will conduct a review of the key stakeholders identified and continue to engage effectively with the key stakeholders. |
| **Talent Attraction and Retention** | We have enhanced our employee recognition schemes such as upgrade of MindChamps' staff preferential rates for enrolment of staff's family members into MindChamps enrichment programmes where senior staff at Deputy General Manager/Director job grades can now enjoy higher preferential rates when they enrol their family members into the programmes. | We will continuously ensure our employees remain engaged and motivated by improving employee retention, providing relevant training, and implementing a more conclusive succession planning. Additionally, we will continuously enhance employee benefits and wellness across all MindChamps PreSchool centres. |
| **Quality of Education System** | We have fully implemented the Enquiry Approach to Teaching and Learning across all MindChamps PreSchool centres. | We will continue to ensure that teaching and learning (with Enquiry themes on sustainability and community together with the Integrated Activities (using our unique six Learning Zones) and S.M.I.L.E.S approach) are implemented across all MindChamps PreSchool centres. In tandem with Enquiry T/L will be ongoing training for teachers to be anchored in the brain science and to develop Champs to the complex thinkers. |
| **Quality of Teachers** | We received "Excellent" and "Good" ratings for MindChamps teachers through the Parents' Survey. | We aim to continue achieving "Excellent" and "Good" ratings for MindChamps teachers through the Parents' Survey. |
| **Health and Safety** | We provided health and safety training to our employees and Champs, resulting in no fatalities, high-consequence work-related injuries, or recordable work-related illnesses or health conditions arising from exposure to hazards at work in both Singapore and Australia. There were no recordable work-related injuries in Singapore and two recordable work-related injuries in Australia. | We will continue to provide health and safety training to our employees and Champs to raise their awareness and equip them with the knowledge to respond to emergencies. |
| **Local Communities** | We organised various community outreach programmes that positively impacted the lives of local communities throughout the year. | We will continue reaching out to the community throughout the year. |

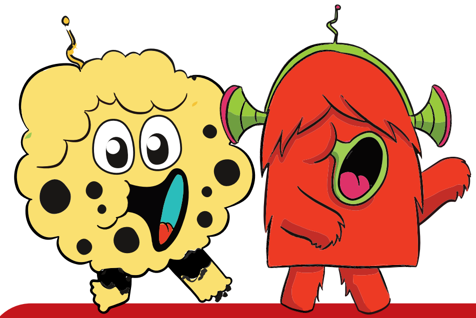
## GOVERNANCE

Building trust and confidence in our preschools

| Material Topic | FY2025 Achievement | FY2026 Target |
|---|---|---|
| **Regulatory Compliance** | We recorded zero significant regulatory non-compliance incidents and all MindChamps PreSchool centres were compliant with the internal audit requirements of the headquarters of MindChamps ("MindChamps HQ") and ECDA's licensing requirements. | We aim to continue having zero significant regulatory non-compliance incidents and for all MindChamps PreSchool Centres to continue complying with MindChamps HQ's internal audit requirements (ChampionGold Standard Quality Assurance) and local licensing requirements. |

# Environment

Working Towards A Sustainable Future



| MINDCHAMPS' APPROACH | OBJECTIVE |
|---|---|
| MindChamps is committed to nurturing our Champs through a holistic curriculum in a vibrant environment. | MindChamps' curriculum nurtures our Champs in all aspects of development, preparing them for the future from their early learning years. |

## SUSTAINABILITY CURRICULUM

Anchored by MindChamps' philosophy of filling the gaps in education systems worldwide, the objective of MindChamps' education model is to prepare the children of today with the skills, flexibility and mindset to thrive in a rapidly changing and information-saturated future, and nurture every child to be the best they can be.

Sustainability is a key global issue in today's context. Recognising this, MindChamps imparts this responsibility in our Champs. MindChamps educates our Champs to interact responsibly with the environment through our curriculum, which includes lesson design, class activities, excursions and year-end concerts. MindChamps believes that nurturing and instilling a sense of responsibility should begin from our Champs' early childhood.

The MindChamps "Enquiry Approach to Teaching and Learning" has a strong focus on environmental awareness and sustainability. Three out of the four Enquiry themes for each level in MindChamps PreSchool are focused on "Animals", "Growing Things" and "Our World". Through these Enquiry themes, our Champs explore and discover the world around them and learn about the importance of protecting the Earth through environmentally-friendly practices, such as recycling, responsible consumption and practical energy-saving methods. Champs also learn about empowerment – the role each individual plays in protecting the environment. Champs are empowered by teachers and educators and through the Enquiry based curriculum to use recycled items to make learning resources for the Learning Zones in their respective classrooms. For example, boxes from items delivered to our centres are often used to create imaginary sets for our classroom dramatisation.

During a class activity, our Champs in Australia and Singapore continue to use recycled materials such as old boxes, rolls, wrapping materials etc to create their craft items as well as resources for the learning zones. Champs also bring in items that they feel can be recycled and can contribute to the teaching and learning in the class. During these sessions, teachers reinforce the importance of reusing items and reduction of waste. Teachers and educators also incorporate sustainability messages into their teaching practices. These include getting Champs to share ideas on how to protect environment, reduce waste and be responsible for world citizens.

The learning about sustainability and environmental protection culminates in year-end concerts for all our MindChamps PreSchool centres. Our Champs' performances are based on a common theme – saving the Earth and promoting the ideals of environmental protection. Our centres put up centre-based showcases that demonstrated their deep understanding of Our World and how we all have a role to play in protecting our environment. While each centre will demonstrate its unique interpretations and showcase the unique talents of its Champs, the core theme of environmental sustainability and our children's roles in protecting the Earth cut across all centres in MindChamps globally.

The songs and dramatisations are specially crafted to reflect the belief in our shared roles in sustainable practices.


*David Chiem, Executive Chairman, MindChamps, Professor Kathy Hirsh-Pasek, Senior Fellow of the MindChamps Global Research & Programme Development team and Jeff Pasek with our MindChamps PreSchool Champs from Australia.*


# SUSTAINABILITY PRACTICES

MindChamps believes in leading by example to nurture and encourage behavioural changes that positively impact the environment. MindChamps teachers and employees practice the 3Rs – Reduce, Reuse and Recycle in their daily activities at MindChamps PreSchools.

Our teachers encourage our Champs to collect used materials such as bottles, aluminium cans and newspapers to decorate the classrooms as well as for their arts and crafts projects. This initiative exposes our Champs to sustainable practices, sparks their learning interest and inculcates recycling habits in them from their early learning years. Our Champs in Australia also practise the recycling of food waste. Before they wash their plates after each meal, they empty any food waste into a bucket. The food waste is then taken to a worm farm and recycled as food for the worms.

At MindChamps centres, there is a conscious effort on the part of both staff and Champs to play an active role in reducing paper, electricity and water consumption at the centre level.

For staff, the messaging is regularly worked into staff meetings and with various visual reminders throughout the centre. Staff will print on both sides of the paper, opt for electronic formats where necessary, and remind each other and the Champs about managing the water and electricity consumption.

For Champs, the programming focuses mainly on older children from N2 – K2 upwards. Lessons on conserving paper, electricity and water are part of crafted and seized moments in our curriculum. Understanding their role is crafted purposefully into MindChamps Reading lessons and the Enquiry lesson plans. When Champs demonstrates an interest in wanting to learn more about how they can contribute to sustainability, teachers will seize on these moments to deepen the learning so that it translates into actual sustainability habits.

# Social

Growing Together With Our People And The Community

| MINDCHAMPS' APPROACH | OBJECTIVE |
|---|---|
| MindChamps' growth and success are firmly anchored on education quality and sound people and stakeholder management. | A dynamic business that responds proactively to the expectations of its stakeholders helps MindChamps to stay ahead in the preschool landscape. |

## INTERACTION WITH STAKEHOLDERS

MindChamps recognises the importance of interacting with our stakeholders to build their understanding of MindChamps' business. MindChamps regularly interacts and connects with our stakeholders through various engagement methods. These engagements aim to build and strengthen the trust in MindChamps' brand and create long-term value for both MindChamps and our stakeholders.

This section describes MindChamps' interactions with four key stakeholder groups: (1) customers, (2) media, (3) shareholders, and (4) employees, as they each have a major influence on MindChamps' success, and are in turn, impacted by MindChamps.

### Customers

At MindChamps, our customers are the Champs who attend MindChamps PreSchool and their parents. They are always top of mind in everything we do. The key to developing a long-standing relationship with our Champs and MindChamps Parents is understanding their needs and wants.

To deepen our understanding of MindChamps parents, we conduct surveys twice a year called the MindChamps PreSchool Parents' Survey (**"Parents' Survey**") in Singapore and Australia. The Parents' Survey aims to capture and understand the satisfaction level of MindChamps parents, and the results drive continuous improvement in engaging with our customers.

Based on the latest results of the Parents' Survey, MindChamps achieved the following results:

| | Singapore | Australia |
|---|---|---|
| **MindChamps parents responded to the Parents' Survey** | 86.4% | 62%* |
| **Respondents rated 'Excellent' or 'Good' on their Champs' overall educational experience and development at MindChamps** | 99% | 97% |

** The completion of the Parents' Survey is optional.*

To facilitate continuous interaction with our customers, we also conduct Parent-Teacher Conferences (**"PTCs"**) via zoom or face-to-face discussions and engage in regular communications and updates via the MindChamps Parents App and similar applications.

PTCs are held at the end of every semester. The PTCs provide a platform for our teachers to update MindChamps parents on their Champs' learning journeys and allow MindChamps parents to provide feedback on MindChamps' curriculum and practices. This iterative, 360-degree platform facilitates effective and meaningful dialogue.

*Professor Kathy Hirsh-Pasek revealing the latest research on best practices for play-based learning to MindChamps parents.*

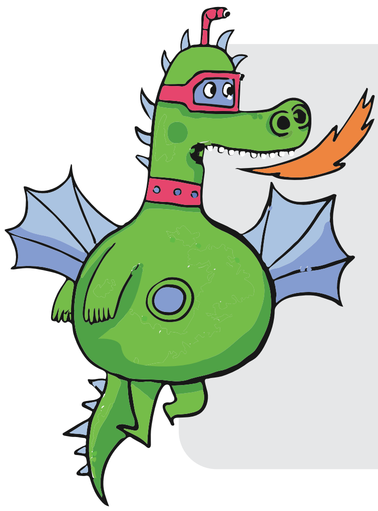
The MindChamps Parents App is a mobile application specially designed for MindChamps parents to participate in and celebrate their Champs' growth and progress. Our teachers provide updates on our Champs' educational development through the 'My Learning Curriculum' function on the MindChamps Parents App. Furthermore, the MindChamps Parents App enables MindChamps to continually strengthen the parent-centre partnership to nurture the best potential in all our Champs. It enables our teachers and MindChamps parents to foster two-way communication and easily exchange information about their Champs. Our teachers also recognise the importance of personal interaction and carry out good practices, such as greeting and meeting MindChamps parents every day when they come to the centres and sharing verbal updates regarding their Champs.

## Media

The media plays an important role in communicating accurate information on MindChamps in their publications to a wider audience. The media also helps to widen exposure opportunities for MindChamps' brands and products.

In Singapore and Australia, MindChamps' Corporate Communications team is responsible for overseeing both public relations and media relations for MindChamps, while carrying out media monitoring and engagement and issuing media releases. The team works closely with the media to profile MindChamps' Executive Chairman, Executives and Global Research & Programme Development Team Members. The team also works with the media to share the latest developments through print, broadcast and digital media outlets. MindChamps shares corporate announcements and news from our centres on social media platforms such as Facebook, Instagram, LinkedIn and YouTube.

In 2024 and 2025, the MindChamps ChampionGold Nutrition Team continued to engage the community by promoting healthy food choices and eating through simple videos and write-ups to support families. These videos and write-ups talked about making the right choices at supermarkets as well as taught parents simple meal preparations that were healthy and tasty.



## THE MINDCHAMPS AGM

The AGM is held annually to engage with MindChamps' shareholders. Shareholders are strongly encouraged to participate in the AGM to understand more about MindChamps' business activities and financial performance.

## Shareholders

MindChamps is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in MindChamps' business, guided by the SGX-ST Listing Manual, the Code of Corporate Governance and its Investor Relations Policy.

Announcements are disseminated to shareholders via SGXNet and uploaded on MindChamps' corporate website. Shareholders may also subscribe to our email alerts for instant notification of such announcements. Shareholders may contact MindChamps' Investor Relations team or any of our Independent Directors, through the channels set out on MindChamps' corporate website.

MindChamps strongly encourages shareholders to participate in its general meetings. During MindChamps' Annual General Meetings (**"AGM"**), shareholders are provided with updates on business developments and also insights into product enhancement initiatives. Shareholders are also introduced to MindChamps' pedagogy during the AGM.

## Employees

Being a people-oriented business, our employees are critical to the success and growth of MindChamps' business. Our initiatives relating to communications with our employees are highlighted in the "Talent Attraction and Retention" section below.

*Lawrence Tan, Chief Global Partnerships Officer, MindChamps, David Chiem, Executive Chairman, MindChamps and newly accredited preschool teachers from MindChamps PreSchool Maldives.*


# TALENT ATTRACTION AND RETENTION

Attracting people who are passionate and share MindChamps' vision and values is crucial to maintaining a healthy talent pipeline. Retaining employees who have been trained in the MindChamps curriculum and culture is of great importance to MindChamps' sustainable growth. Hence, it is MindChamps' aim to attract and retain these talents that would sustain the growth of the MindChamps business.

## Attraction

To attract candidates who are aligned with our corporate culture and values, our recruitment strategy is to share with candidates the MindChamps story and business as well as our corporate culture and values at the pre-hiring stage. This is to get candidates excited about our corporate culture and values even before they attend the interview, and to give them a better understanding of what MindChamps stands for, what we do, our passion and our unique culture and values. Candidates excited about our company and our unique culture and values would be keen to proceed to the interview stage. Our aim is to increase the quality of recruitment by hiring candidates who have a better understanding of our company and share the same passion and values of MindChamps.

## Retention

MindChamps strives to create a welcoming and engaging culture as part of our talent retention strategy. Quarterly staff "Pow Wow" meetings and daily "WOW" interactions with their team members and leaders continue to be stable features of MindChamps employee engagement strategies. To further retain MindChamps leaders who have been trained in MindChamps' culture and values, we have upgraded benefits for senior level staff, such as higher dental benefits and staff preferential rates for enrolment of family members into MindChamps enrichment programmes.

## Sustainable Practices

In 2021, to reduce paper usage, we launched an HR portal on our Human Resource Information System in Singapore where MindChamps staff can access the most up-to-date HR information online and a depository of HR related information such as the Employee Handbook, frequently asked questions and useful forms. To build on the efforts in reducing paper usage, we have further implemented the HR portal for MindChamps Australia's early learning staff in 2022.


# QUALITY OF EDUCATION SYSTEM[4]

MindChamps' 3-Mind education model prepares the children of today with the skills, flexibility and mindset to thrive in a rapidly changing and information-saturated future. The model strives to nurture every child to be the best that they can be, by focusing on the skills and strategies of learning. The model emphasises the teaching of the 'how' rather than the 'what' to learn. The 3-Mind model was conceived alongside international experts, including world-renowned neuroscientist, Professor Emeritus Allan Snyder FRS. MindChamps' unique approach draws inspiration and research from the domains of Neuroscience, Child Psychology and Theatre, synthesising them with education theory and practice. Anchored by the 3-Mind education model, MindChamps will strive to develop Champs to be complex thinkers who will thrive in an AI-dominated world.

## THE 3-MIND EDUCATION MODEL

### THE CHAMPION MIND

Celebrating the individual's uniqueness, going beyond conventional wisdom and overcoming adversity to achieve success

### THE LEARNING MIND

Learning "how to learn" strategies that actively assist learners to understand, store, recall and synthesise information and concepts

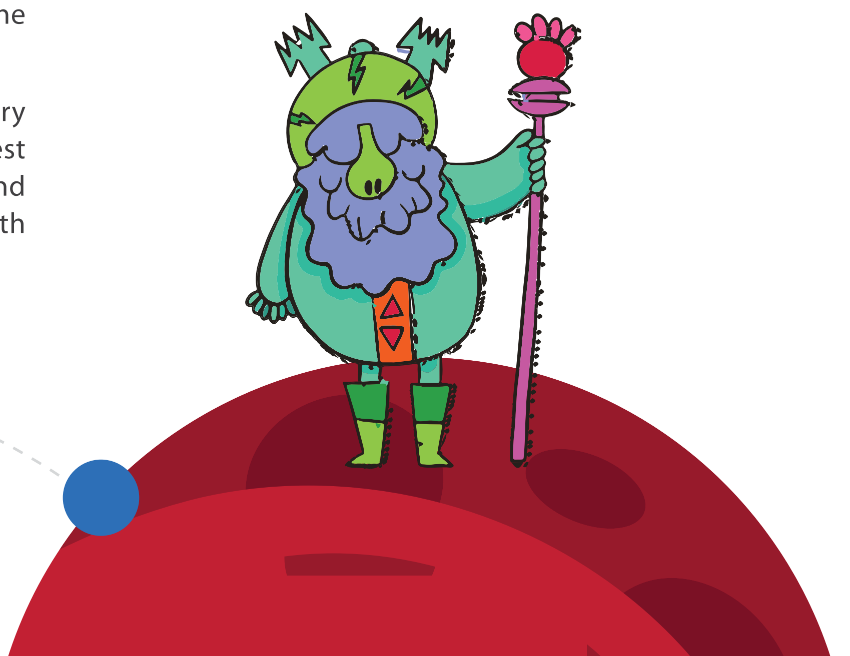
### THE CREATIVE MIND

Connecting multiple perspectives and integrating them to generate new, creative ideas

[4] *Quality of Education System includes education innovation and technology.*

MindChamps delivers, through "S.M.I.L.E.S", an environment of engagement, security, nurturing and exploration. This prepares the brain for optimal growth and anticipates the future development of the 3 Minds. The acronym S.M.I.L.E.S. stands for: Sensory, Motor (Music and Movement), Intellectual, Linguistic, Emotional and Social. The S.M.I.L.E.S. principle acknowledges that brains, in their formative stages, need all aspects of mind-stimulation simultaneously and that all types of activities have the potential to engage all of the S.M.I.L.E.S. elements.

MindChamps teachers develop weekly Enquiry teaching and learning lesson cycles that best exemplify our philosophy of the 3 Minds and S.M.I.L.E.S. The Enquiry approach begins with active provocation by the teachers to stimulate our Champs' interests and curiosity that sets them on active learning journeys. The various provocation methods applied range from books, images, games, to living things such as plants to appeal to the different learning styles of our Champs. This is aligned with the S.M.I.L.E.S elements.




### The Champion Mind

The Champion Mind is actively nurtured through the 10 values of a MindChampion, and our teachers elaborate on these values through purposeful and incidental teachable moments. Through Enquiry, our Champs learn about discovering their own voice, personal creativity and self-expression – all these elements are reflective of the Champion Mind.

### The Learning Mind

Through provocation and discovery, the Learning Mind is tapped and nurtured. Our Champs embark on learning through crafted play that uses all forms of manipulatives, games and other creative learning resources. Crafted play allows our Champs to have a 'hands-on' approach to learning and discovery. Furthermore, MindChamps teachers observe and document the interests of our Champs and design lessons which allow our Champs to further pursue their interests.

### The Creative Mind

The Creative Mind is developed through various platforms. A key platform is the documenting of our Champs' learning in the Enquiry Approach to Teaching and Learning. The Creative Mind is about nurturing self-expression, unique viewpoints and the mindset of listening and accepting the viewpoints of others. MindChamps teachers adopt various lesson strategies to encourage our Champs to demonstrate their learning through unique pieces of work as opposed to cookie-cutter works. Champs are encouraged to reflect on their works and articulate these reflections – to encourage their own voice.



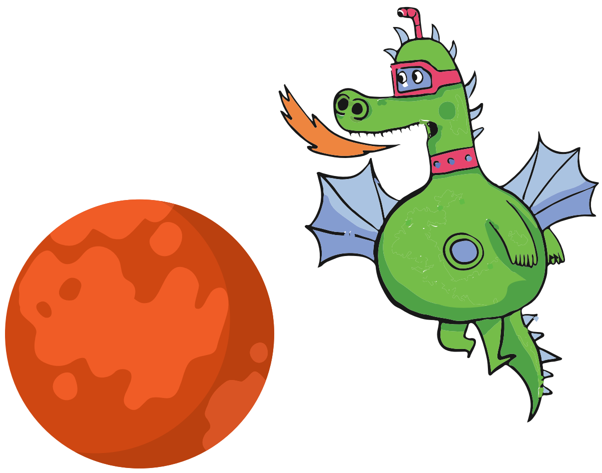
## PreSchool Environment

At MindChamps PreSchool centres in Singapore, each class is managed by one English language teacher and one Chinese language teacher, who jointly educate our Champs through the daily curriculum. This provides our Champs with the learning opportunity to be effectively bilingual and nurture their interest in both languages from young.

To further facilitate a conducive learning environment and have a greater alignment to the 3-Mind Education Model, all MindChamps PreSchool classrooms are designed with six Learning Zones – Dramatic, Construction, Art and Craft, Reading, Writing and Numeracy. These Learning Zones are designed with the objective of promoting imagination and learning.

MindChamps HQ provides a yearly Enquiry Theme Guide to all MindChamps PreSchool centres. A set of 16 Curriculum Folders, which provide comprehensive details of MindChamps' curriculum and pedagogy as well as how the classroom space should be set up, is also communicated to and rolled out at all MindChamps PreSchool centres. These folders include lesson planning templates for integrated activities to drive the Enquiry Approach to Teaching and Learning.

MindChamps' curriculum is the result of over a decade of research and development in the three domains of Neuroscience, Child Psychology and Theatre. Our curriculum nurtures all aspects of our Champs and includes world proprietary academic and enrichment programmes.



Results of our programmes which were rated 'Excellent' or 'Good' by MindChamps parents:

## SINGAPORE

| | |
|---|---|
| **Core Programmes** | |
| Enquiry Teaching & Learning | 99% |
| MindChamps Reading & Writing (Natural Literacy) | 99% |
| Fun with Language | 99% |
| Numeracy Strategies | 99% |
| The Love for Chinese Language | 99% |
| **Enrichment Programmes** | |
| Creativity & Theatrical Strategies | 99% |
| Gourmet Moments | 99% |
| MindChamps Music™ | 99% |
| NeuroMooves | 99% |

## AUSTRALIA

| | |
|---|---|
| **Curriculum** | |
| Reading Programme | 95% |
| Enquiry Teaching & Learning | 95% |
| MindSport | 93% |
| Gourmet Moments | 94% |

**Quality Assurance**

To ensure that our MindChamps PreSchool centres are operating at the highest standards, a ChampionGold Standard site visit is conducted annually. This audit reviews the teaching and learning conducted at each of our centres, as well as the centre's overall operations and the experience of MindChamps parents and our Champs. Following the site audit for each centre, MindChamps HQ follows up with a report and feedback session. MindChamps PreSchool centres then use this Report to formulate and carry out improvement plans.

**Teaching and Learning**

Learning display boards, documentation of Champ's learning, 6 Learning Zones, classroom environment

**CHAMPION GOLD STANDARD**

**Culture and Relationships**

Capacity of teachers, how teachers create a learning environment in the classroom, communications with teachers and staff on procedures

**Leadership**

Standard Operating Procedures ("**SOP**"), documentation and licensing, log book and incident reporting, ensuring systems and structures

*Framework governing the audit of MindChamps PreSchool centres.*


# QUALITY OF TEACHERS

To deliver MindChamps' curriculum, it is crucial that our teachers develop the right mindset, values and skills and are equipped with the right tools.

MindChamps teachers are required to attend training to enhance their skills in areas such as coaching, tools for engagement, positive guidance as well as MindChamps' curriculum within three months of onboarding.

## MINDCHAMPS' CURRICULUM

- Enquiry Teaching & Learning
- Gourmet Moments
- NeuroMooves/ MindSport
- MindChamps Music™
- Creativity & Theatrical Strategies

Our teachers are accredited by MindChamps HQ as part of training and must demonstrate learned skills and knowledge through practical exercises.

**MindChamps' teacher training includes:**

- **Three overarching areas**
  - MindChamps Way Culture and Pedagogy
  - Specialisation (Core)
  - Enrichment
- **Teacher Development and Training ("TDT") Days**
- **Ad-hoc training by MindChamps HQ**

In 2025, MindChamps took the Global TDT concept to greater heights by bringing together the PreSchool, MindSpace and Early Intervention Teams. Uniting these various teaching and learning divisions under a shared concept – The Craft of Teaching, the Global TDT continued to upgrade teaching practices and build the MindChamps family. The March 2025 TDT focused on brain research to support meaningful and engaging pedagogical practices. Members of our research team spoke on their research and findings pertaining to brain development in young children. This training provided participants with a deeper understanding of how the young brain makes connections, retains and generates new knowledge. In so doing, teachers reflected on their teaching practices and classroom environments, looking for opportunities to upgrade their craft.

The second TDT of 2025 was held in September that year. We invited the Vice-Chancellor and President of Western Sydney University Distinguished Professor George Williams to be the keynote speaker. He focused on the future learning especially in the tertiary sector in the age of AI. The session helped our teachers expand their thinking and see the power of their teaching within this larger landscape. It was also an excellent opportunity to expand the conversation on how AI will impact education at all levels - from early childhood to tertiary.

*David Chiem, Executive Chairman, MindChamps and Distinguished Professor George Williams AO, Vice-Chancellor and President, Western Sydney University.*

Apart from the above, all MindChamps PreSchool principals and Centre Directors attend monthly meetings organised by MindChamps HQ to keep up-to-date with the latest curriculum, policies and training requirements. Once again, leveraging technology, we held multiple online training sessions and best practice sharing sessions to raise the craft of teaching within our global community. Some of the pedagogical tools we covered included the art of puppetry, digital storytelling and teacher dress-up for an engaging environment.

Based on our latest Parents' Survey, 99% and 97% of MindChamps parents in Singapore and Australia rated our teachers as 'Excellent' or 'Good', respectively. These high ratings are an affirmation of the quality of MindChamps teachers.

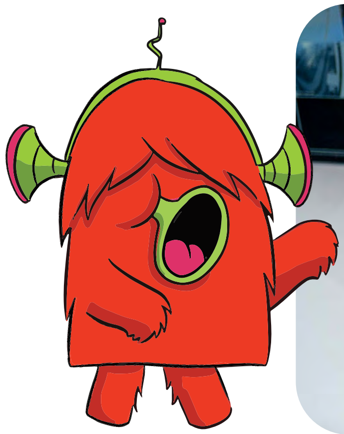
# HEALTH AND SAFETY[5]

MindChamps is responsible for the safety and well-being of thousands of young children. MindChamps is also mindful of the need to create a safe workplace for our employees.

MindChamps undertakes robust measures to ensure the safety of our Champs and employees. In addition to complying with the local laws and regulations, various policies have been established by MindChamps to address both Occupational Health and Safety and Preschool Health and Safety.

| OCCUPATIONAL HEALTH AND SAFETY | PRESCHOOL HEALTH AND SAFETY |
|---|---|
| **Laws and Regulations Singapore**<br>• Employment Act<br>• Employment of Foreign Manpower Act<br>• Fire Safety Act<br>• Work Injury Compensation Act<br>• Workplace Safety and Health Act | **Laws and Regulations Singapore**<br>• Building and Construction Authority Regulations<br>• Early Childhood Development Authority Licensing Requirements<br>• Fire Safety and Shelter Department Regulations |
| **Laws and Regulations Australia (NSW)**<br>• Work Health and Safety Act<br>• Work Health and Safety Regulation<br>• Workers Compensation Act | **Laws and Regulations Australia (NSW)**<br>• Education and Care Services National Law Act<br>• Children (Education and Care Services National Law Application) Act<br>• Education and Care Services National Regulations |
| **Policies**<br>• Employee Handbook<br>• Workplace Safety and Health ("WSH") Policy | **Policies**<br>• MindChamps SOP (see below) |

[5] *Health and Safety includes employees' and students' health and safety.*



MindChamps considers the work health and safety of all workers, contractors, suppliers, and visitors to MindChamps to be of utmost importance. MindChamps is committed to conducting its business in a manner that promotes the work health and safety of its employees, contractors, visitors and clients. In the event of a work-related injury, MindChamps is also committed to ensuring that all injured workers have the opportunity to recover and return to work in a safe and timely manner.

MindChamps HQ has established a health and safety committee in compliance with the relevant laws and regulations and maintains a WSH Policy as guidance in creating a safe environment for our Champs and employees. An SOP on Incident Management and Reporting has been established to ensure prompt reporting and investigation of incidents concerning safety. Regular checks are conducted at MindChamps HQ and PreSchool centres to identify any areas of potential safety risk. Operational risks are also reviewed in an effort to reduce and eliminate risks where possible. Maintenance is scheduled regularly for properties such as elevators, escalators and stairwells, and hazards identified (if any) which cannot be eliminated are well signposted. Briefings are also conducted for all centre leaders in Singapore about workplace health and safety in accordance with the Work Injury Compensation Act.

MindChamps continued its Return to Work programme to promote the importance of safety and well-being of all our employees in Australia, which works through the development of a health and well-being strategy. The objective of the programme is to outline MindChamps' commitment and approach to the management of the return to work of employees who have suffered a workplace injury.

All MindChamps teachers attend child first aid courses and are certified first aiders. They are trained to observe and identify medical conditions in our Champs and to take the necessary actions, such as providing first aid and contacting the relevant emergency response teams. It is critical to ensure that our Champs receive the appropriate attention during an emergency. In addition, each centre has a safety team comprising teachers and admin staff who are assigned to ensure that health and safety measures are upheld at the centre, which include periodic checks on the expiry dates and the stock up of first aid kits and fire extinguishers. Each centre also has a fire warden to lead fire-drill exercises and safe evacuations in the event of an actual fire outbreak.

Furthermore, MindChamps PreSchools are regularly audited for health and safety to ensure compliance with licensing requirements. To ensure the safety of our Champs, audits are conducted through the MindChamps ChampionGold Standard framework. The MindChamps safety manager conducts bi-annual spot checks, conducts timely investigations, and implements preventive and corrective actions when reported incidents occur. Preschool equipment, such as toys and playgrounds, are cleaned daily and maintained and upgraded annually. Our centres also ensure that our Champs of different age groups are provided with age-appropriate toys.

MindChamps takes pride in providing a safe learning environment for our Champs. For example, one of the key safety features that MindChamps upholds strictly is the installation of door guards in all our centres. This minimises the risk of doors accidentally closing on our Champs' fingers.

Health and safety training are provided to both our Champs and employees to educate them on the potential health risks and safety hazards at MindChamps HQ and PreSchool centres and the proper precautions to take. Additionally, fire evacuation drills are conducted for our Champs and employees at least once every six months to increase their awareness and preparedness in an emergency. Due to our robust health and safety processes, no serious work-related incidents were recorded in FY2025 in Singapore.

## MENTAL WELLBEING

| | |
|---|---|
| **Level** | N2 – K2 |
| **Activity** | Break the Stress! |
| **Objective/s** | To raise awareness towards mental health |

Champs were introduced to the concept of stress and how to cope with it in small ways such as listening to music, humming a song, playing a game, and finding a quiet place to rest. In preparation for P1, K2 Champs tackled more about their social-emotional skills particularly understanding themselves and their emotions, and interacting with others through small group sharing and drawing activity.

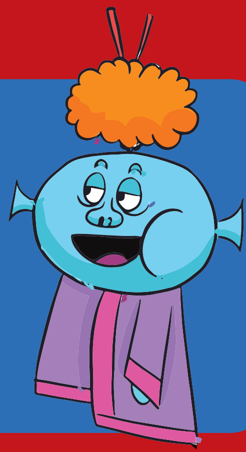

## ORAL HEALTH

| | |
|---|---|
| **Level** | N2 – K2 |
| **Activity** | June In-Between Terms Programme |
| **Objectives/s:** | To introduce good oral hygiene |

Using the booklets that the teachers prepared during the June In-Between Terms Programme, Champs learnt about the different ways to practice good oral hygiene such as toothbrushing, flossing, and mouthwashing. Moreover, teachers revised healthy eating habits during the class discussion.

## WALKING FEET CAMPAIGN

Our Champs are reminded to use their 'walking feet' when moving about in MindChamps PreSchool centres and not to run within the premises. MindChamps instils safe behaviours in our Champs and encourages them to be responsible for their own safety as well as the safety of their peers and teachers through positive guidance and fun activities.



We continued to practise the safety measures, and emergency response protocols that were communicated to our employees to ensure our employees and Champs are kept safe and our operations are conducted in a safe manner. The safety measures included the following during the 2025:

1. **Twice daily temperature taking of Champs and recording. Staff are also trained to closely monitor the health and well-being of the Champs throughout the day so that when Champs are identified to be unwell, follow up actions will be taken including having the unwell Champ be sent home to manage the potential spread of illness.**

2. **Staff also do daily temperature taking and are advised to stay home and see a doctor when they are unwell.**

3. **All centres are cleaned daily, with extra focus on disinfecting common touch areas for the Champs.**

4. **Centres continue to make available face masks and hand sanitisers.**

5. **Posters on hand washing, maintaining good personal hygiene are placed throughout the centre.**

6. **Staff as well as Champs are regularly reminded to stay safe and uphold the highest standards of personal hygiene at meetings and through the curriculum.**

At our preschool centres, good hygiene measures continue to be practised despite the easing of Covid-19 measures. The centres are cleaned frequently throughout the day. Unless necessary, no visitors are allowed to enter the centres. MindChamps also ensures that it complies with local regulations.

# MINDCHAMPS PARENTS' SURVEY HIGHLIGHTS

We are pleased that MindChamps parents rated "Excellent" or "Good" as follows, reflecting our robust processes to maintain high standards of health and safety in MindChamps PreSchool centres:

| | SINGAPORE | AUSTRALIA |
|---|---|---|
| **Overall cleanliness of the environment** | 100% | 98% |
| **Safety standards of the centre** | 99% | 98% |
| **Conduciveness to learning in the classroom** | 99% | 98% |
| **Health checks (which are carried out on teachers and Champs before entering the centre and continue throughout the day)** | 99% | Note 1 |
| **Procedures put in place to minimise the spread of contagious diseases** | 98% | Note 1 |

*Note 1: The survey questions were not covered in the Parents' Survey for our Australian centres.*

# LOCAL COMMUNITIES

MindChamps is committed to being involved in local communities to drive positive change and support communities in need. This is based on a firm belief that in creating opportunities for our Champs to reach out to the community and serve the less fortunate, they strengthen their Champion Mindset.

For FY2025, our centres continued to demonstrate examples of strong outreach to the local communities with centre leaders working with teachers and educators as well as families to identify charitable causes and outreach efforts.

In response to MindChamps' 'I Am Compassionate' and 'I Am Grateful', we expanded our fundraising campaign in support of VIVA Foundation for Children with Cancer to all our business units. In 2024, the efforts came primarily from our PreSchool unit but in 2025, we promoted the concept of giving to all our units including PreSchool, MindChamps' MindSpace and MindChamps Early Intervention & Therapy etc. We believe that all our Champs should support this very important cause. As a result, we raised a total of $305,710.

Many of our MindChamps centres globally continued to pursue various community involvement and engagement projects to build a sense of compassion and gratitude in our Champs. Two notable projects include:

The Social Cause and Food Drive project at MindChamps PreSchool @ Marina Square: In July 2025, the centre team conducted a food drive where Champs and their families donated food items to support the work of Willing Hearts - an important organisation that prepares meals for the underserved in Singapore.


*Michelle Peh, Global Chief Operating Officer & Chief Brand Officer and David Chiem, Executive Chairman, MindChamps, presenting a cheque for $305,710 to Mrs Jennifer Yeo, Chairman & Founder of VIVA Foundation and Mr Hao Wong, Chief Executive Officer, VIVA Foundation together with Champs from MindChamps PreSchool, MindChamps' MindSpace and MindChamps Early Intervention & Therapy.*


As part of the project, Champs learnt about the work of Willing Hearts and delved deeper into what it means to give to the underprivileged. This included giving of time and effort - as many volunteers in Willing Hearts will cook and serve the underprivileged. Many families gave feedback to say that they learnt a great deal about the charity work of Willing Hearts.

The attribute of 'I Am Grateful' is best embodied by the MindChamps Wishing Tree which is a unique feature in all our centres. In 2025, our Early Learning centre in Warriewood took this feature a step further by combining the Wishing Tree with the internationally recognised Blue Tree project. The Blue Tree project focuses on mental wellbeing and promoting the importance of educating the world about mental health issues. At Warriewood, the team conducted a brainstorm and together decided to use the Wishing Tree project to promote the ideals from the Blue Tree campaign. Champs and their families learnt more about the importance of mental health and showing compassion and kindness to those in need. The Warriewood Wishing Tree is coloured blue using recycled materials and Champs also recorded their wishes for others (especially in honour of The Blue Tree campaign) so that visitors could also hear their voices authentically making their wishes.

# GOVERNANCE

## Building Trust And Confidence In Our Preschools

| MINDCHAMPS' APPROACH | OBJECTIVE |
| --- | --- |
| MindChamps' business conduct is underpinned by our robust internal corporate governance practices. | Good corporate governance is the foundation of operational excellence and financial performance, delivering value to all stakeholders. |

## REGULATORY COMPLIANCE

Good corporate governance is essential to operate in the regulated preschool sector as it safeguards MindChamps from risk and reputational damage. It is also key to building customer confidence, loyalty and trust. In view of the various regulations that govern preschools, MindChamps institutes policies to guide its operations. MindChamps also regularly reviews these policies to ensure that they are kept up to date. In addition to having policies as overarching governance, MindChamps PreSchool centre leaders conduct self-assessments in compliance with the Early Childhood Development Agency's (**"ECDA"**) licensing requirements. A compliance audit is carried out by MindChamps HQ one month prior to the ECDA licensing officer's renewal assessment visit. Meetings are regularly held with business leaders to communicate and align ECDA's licensing requirements and Code of Practice with centre operations and practices.

For Australia, all MindChamps Early Learning Centres use the MindChamps policies and protocols as well as the ChampionGold Standards to meet the standards spelt out in the National Quality Framework. Our centres are regulated, assessed, and rated under this framework. Our centres also conduct self-assessments and make the necessary improvements reflected in each centre's Quality Improvement Plan on an annual basis. MindChamps also takes a serious stance on ensuring that our franchisees comply with regulations and uphold our values so that our brand and curriculum are not compromised. MindChamps has in place a robust compliance audit framework for our franchisees. Through the audit process, issues are identified, and follow-up actions are reported to MindChamps HQ and the franchisee. Our teams work closely with franchisees to resolve any issues identified and constantly improve operations. Due to the framework in place and annual checks on our franchisees, no significant issues were reported in FY2025.

MindChamps endeavours to continue to operate to the highest standards in compliance with the relevant laws and regulations.

# Conclusion

In the years ahead, MindChamps is steadfast in its commitment to sustainability, recognising its integral role in fostering long-term value for all our stakeholders. We will continue to enhance our environmental practices, expand community partnership and strengthen governance to ensure transparency and accountability to deliver tangible benefits to our Champs, our teachers, MindChamps parents, the communities, and investors.

MindChamps PreSchool Limited (the "**Company**" and together with its subsidiaries the "**Group**") is committed to ensuring and maintaining high standards of corporate governance in complying with the Code of Corporate Governance 2018 (the "**Code**") and relevant sections of the Listing Manual ("**Listing Manual**") issued by the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Group's corporate governance practices and processes are guided by the principles and provisions of the Code and are continually reviewed for relevance and effectiveness by reference to the legal and regulatory environment in which the Group operates.

This report sets out the Group's corporate governance practices that were in place for the financial year ended 31 December 2025 ("**FY2025**") with reference to the Code. Where there are deviations from any of the provisions of the Code, an explanation has been provided within this report.

## (A) BOARD MATTERS

### The Board's Conduct of Affairs

### Principle 1

The Company is headed by an effective Board of Directors (the "**Board**") which is collectively responsible and works with management ("**Management**") for the long-term success of the Company.

**Provision 1.1**
**Board's Role**

The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including risk management systems and internal controls to safeguard shareholders' interests and the Group's assets. The Board regularly reviews the Group's strategic business plans, the assessment of key risks by Management and operational and financial performance of the Group to enable the Group to meet its objectives. The Board also puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures that there is proper accountability within the Company.

Besides its statutory responsibilities, the primary role of the Board's includes the following:

(a) to provide entrepreneurial leadership, and set strategic objectives, which include appropriate focus on value creation, innovation and sustainability;

(b) to ensure that the necessary resources are in place for the Company to meet its strategic objectives;

(c) to establish and maintain a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and the Company's performance;

(d) to constructively challenge Management and review its performance;

(e) to instil an ethical corporate culture and ensure that the Company's values, standards, policies and practices are consistent with the culture; and

(f) to ensure transparency and accountability to key stakeholder groups.

All Directors act in good faith as fiduciaries in the best interests of the Group and discharge their duties and responsibilities objectively by exercising due care, skills and diligence and independent judgment. When faced with conflicts of interest, whether potential or actual, the Directors recuse themselves from discussions and decisions involving the issues of conflict in accordance with the Company's Conflicts of Interest Policy which also sets out situations in which there may be a conflict of interest and the process on disclosure of all conflicts of interest.

**Provision 1.2**
**Directors' Duties and Responsibilities**

All Directors understand the Group's business and their respective duties and roles in the Company. Upon appointment to the Board, all Directors were issued with a formal letter of appointment or service agreement setting out the scope of their duties and obligations as a Director under the various relevant Singapore laws, and how to discharge those duties. The Company also conducted an orientation programme to familiarise new Directors with the business activities of the Group, its strategic direction and corporate governance practices, in particular the Group's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Group, prohibition on dealings in the Company's securities and restrictions on disclosure of trade-sensitive and materially price-sensitive information.

All Directors have been briefed on the roles and responsibilities of a director of a public listed company in Singapore, and regularly receive updates on the laws and regulations. To ensure that the Directors have opportunities to develop their skills and knowledge, the Nominating Committee reviews and recommends to the Board relevant training and professional development programmes conducted by the Singapore Institute of Directors, the SGX-ST and other business and financial institutions and consultants, in areas such as board leadership/responsibilities, accounting and finance, risk management, industry-specific knowledge and laws and regulations. The Company, from time to time, arranges training and briefings for the Directors, and circulates to the Directors useful materials on new laws, regulations, changing commercial risks and financial reporting standards. The Directors are also encouraged to inform the Company Secretary to register on their behalf relevant training which they are interested in, at the Company's expense.

*Sustainability Training*

On 17 March 2022, the Singapore Exchange Regulation (SGX RegCo) announced the start of sustainability training for directors of listed companies in order to equip themselves with basic knowledge on sustainability matters.

The SGX has required directors of listed companies to attend one of the eight courses that SGX prescribed in order to meet the enhanced SGX sustainability reporting rules that mandated sustainability training for all board directors of equity issuers listed on SGX. Companies are required to provide confirmation that their directors have attended sustainability training in their first sustainability report for financial years commencing on or after 1 January 2022 and issued in 2023 or later.

As of the date of this report, all of the Directors have attended the Institute of Singapore Chartered Accountants (ISCA)-organised webinar entitled "Sustainability E-Training for Directors".

**Provision 1.3**
**Internal Guidelines on Matters Requiring Board Approval**

Matters requiring the Board's decision and approval include but are not limited to the following:

(a) major funding proposals and capital expenditures, and strategic acquisitions and divestments;

(b) annual budgets;

(c) annual and interim financial statements;

(d) ad-hoc, half-yearly, and yearly company announcements;

(e) appointment of suitable candidates to the Board and Board Committees;

(f) appointment of key management personnel and Company Secretary;

(g) matters involving a conflict of interest for a substantial shareholder or a Director;

(h) corporate or financial restructuring;

(i) share and bond issuances;

(j) interim dividends and other returns to shareholders;

(k) hedging policy and transactions; and

(l) annual sustainability report.

The Board gives clear directions in writing to Management on the abovementioned matters.

**Provision 1.4**
**Delegation of Authority to Board Committees**

The Board has delegated specific responsibilities to its Committees, namely the Audit, Nominating and Remuneration Committees. Each of these Committees operates under delegated authority from the Board with the Board retaining overall oversight and has its own written terms of reference setting out the compositions, authorities and duties, as endorsed by the Board. Any change to the terms of reference for any Board Committee requires the Board's approval.

The Board Committees play an important role, and are engaged, in facilitating good corporate governance in the Company and within the Group. Information on each of the three Committees, including a summary of each Committee's activities, is set out further in this report.

Each Board Committee is authorised by the Board to investigate any matter within its terms of reference and has full access to, and cooperation of Management, with full discretion to invite any Director or executive officer to attend its meetings. Each Board Committee also has adequate resources to enable it to discharge its functions properly, at the Company's expense.

While the Board Committees have the authority to examine particular issues, the Board Committees report back to the Board with their decisions and/or recommendations and the ultimate responsibility on all important matters lies with the Board.

**Provision 1.5**
**Board and Board Committee Meetings**

The Board meets at least once every quarter to consider the financial results. The schedule of Board and Board Committee meetings, as well as the Annual General Meeting ("**AGM**"), for the calendar year is set and given to all Directors well in advance.

The Directors attend and actively participate in Board and Board Committee meetings. The number of Board and Board Committee meetings held in FY2025 and the attendance of Directors during these meetings are as follows:

| | Board | Audit Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|
| **Number of Meetings held** | 4 | 4 | 1 | 1 |
| **Number of Meetings attended by the Directors** | | | | |
| **David Chiem Phu An** | 4 | N.A. | N.A. | N.A. |
| **Catherine Du** | 4 | N.A. | N.A. | N.A. |
| **Dr Roger Neil Sexton AM** | 4 | 4 | 1 | 1 |
| **Lee Suan Hiang**[1] | 3 | 3 | 1 | 1 |
| **Prof Petrina Sue Coventry** | 4 | 4 | 1 | 1 |
| **Teo Ser Luck**[2] | 1 | 1 | 0 | 0 |

Notes:

(1) Stepped down as an Independent Director of the Company on 14 August 2025.

(2) Appointed as an Independent Director of the Company on 14 August 2025.

Where exigencies prevent a Director from attending a Board or Board Committee meeting in person, the Constitution of the Company allows the Director to participate in the meeting by telephone conference or video-conference. All Directors receive the relevant Board and Board Committee meeting papers even if they are unable to attend the meeting. If a Director is unable to attend a Board or Board Committee meeting, the Director still reviews the meeting papers and provides his/her views and comments to be brought up and conveyed to other members at the meeting. Matters arising from each meeting are followed up and reported to the Board or the respective Board Committee. Minutes of all Board and Board Committee meetings are circulated to members for review and confirmation. These minutes enable the Directors to be kept abreast of matters discussed at such meetings. Besides meetings, the Board and Board Committees exercise control on matters that require their deliberation and approval through the circulation of resolutions.

The Directors declare their board representations and principal commitments to the Company. The Nominating Committee and the Board review, on an annual basis, each Director's number of board representations and principal commitments, and contribution to the Company. Although the Directors have directorships in other companies which are not within the Group, the Nominating Committee and the Board are satisfied that sufficient time and attention is given by the Directors to the affairs of the Group and are of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. Each of the Directors is aware that he or she should commit sufficient time, attention, resources and expertise to the affairs of the Company.

**Provision 1.6**
**Access to Information**

The Directors are furnished with information concerning the Group periodically to enable them to be fully cognisant of the decisions and actions of the Company's Management. In addition, the Board has separate and independent access to the Company's Management.

The Directors receive a set of Board and/or Board Committee papers prior to or during the meetings. The papers are generally issued to members prior to the meeting with sufficient time to enable them to obtain further explanations, where necessary, in order to be briefed properly and prepare for the meeting.

The papers include, where relevant, the following documents and details:

(a) minutes of the previous Board meeting;

(b) minutes of meetings of all Board Committees held since the previous Board meeting;

(c) background or explanations on matters brought before the Board for decision or information, including issues being dealt with by Management, and relevant budgets, forecasts and projections. In respect of budgets, any material variance between the budgets or projections and actual results are disclosed and explained to the Board; and

(d) major operational and financial issues.

In carrying out its duties, the Board has unrestricted access to the Group's records and information. The Directors are entitled to request from Management and are provided with additional information as needed to make informed decisions and discharge their duties and responsibilities.

**Provision 1.7**
**Access to Management, Company Secretary and External Advisers**

The Directors have separate and independent access to the Company Secretary, and external advisers (where necessary).

The appointment and replacement of the Company Secretary is a decision of the Board as a whole.

The Directors, either individually or as a group, may also seek independent professional advice, if necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as Directors.

**Board Composition and Guidance**

**Principle 2**

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

**Provisions 2.1, 2.2 and 2.3**
**Strong and Independent Element on the Board**

The present Board comprises five members who are business leaders and professionals with financial and other technical backgrounds. The composition of Board and the Board Committees is as follows:

| Name of Director | Date of First Appointment | Date of Last Re-Appointment | Board | Audit Committee | Nominating Committee | Remuneration Committee |
|---|---|---|---|---|---|---|
| David Chiem Phu An | 25 July 2008 | 30 April 2025 | Founder Chief Executive Officer and Executive Chairman | – | – | – |
| Catherine Du | 1 June 2010 | 29 May 2024 | Non-Independent Non-Executive Director | – | – | – |
| Dr Roger Neil Sexton AM | 28 April 2023 | 30 April 2025 | Independent Director | Chairman | Member | Member |
| Prof Petrina Sue Coventry | 30 September 2022 | 30 April 2025 | Independent Director | Member | Member | Chairperson |
| Teo Ser Luck | 14 August 2025 | N.A. | Independent Director | Member | Chairman | Member |

Please refer to 'Board of Directors' section of this Annual Report and Sustainability Report FY2025.

Under Provision 2.2 of the Code, the Independent Directors should make up a majority of the Board where the Chairman is not independent. Provision 2.3 of the Code further requires Non-Executive Directors to make up a majority of the Board. Mr David Chiem Phu An is not an Independent Director and is the Chairman and the Chief Executive Officer ("**CEO**") of the Company. The Independent Directors of the Company (3 out of 5 board members) currently do make up a majority of the Board. The Non-Executive Directors (4 out of 5 board members) make up a large majority of all but one of the members of the Board. Hence, the Company is in compliance with Provisions 2.2 and 2.3 of the Code.

**Provision 2.4**
**Board Structure, Size, Balance and Diversity**

The Company recognises and embraces the importance and benefits of having a diverse Board and believes that diversity is an important attribute of a well-functioning and effective Board which enhances the decision-making process. Having a diverse Board avoids groupthink and foster constructive debate.

The Nominating Committee reviews the structure, size, balance and diversity of the Board, in accordance with the Company's Board Diversity Policy, on an annual basis. The key considerations in the Board Diversity Policy include skills, academic and professional qualification and industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of services, and other distinguishing qualities of the board members. Based on the key considerations, the Nominating Committee recommends appropriate changes to the Board, as and when required, to complement the Company's objectives and strategies, such as searching for qualified persons to serve on the Board having due regard for the benefits of diversity on the Board and the key considerations. The Nominating Committee is responsible for monitoring the Board Diversity Policy and reporting to the Board on the process it has used in relation to board nominations and appointments, and the progress made in achieving the measurable objectives for promoting diversity as described in the Board Diversity Policy.

The Nominating Committee and the Board are satisfied that the present structure, size, balance and diversity of the Board are appropriate to facilitate effective decision making. As a group, the Directors bring with them a broad range of industry knowledge, skills, expertise and experience in areas such as legal, accounting, finance, business and management and strategic planning. A brief description of the background of each Director is presented in the 'Board of Directors' section of this Annual Report and Sustainability Report FY2025. As the business of the Group expands, the Company will be seeking to diversify its Board further, including in the area of geographical and industry background.

**Provision 2.5**
**Regular meetings of the Non-Executive Directors and/or Independent Directors**

The Non-Executive Directors are familiar with the Group's business and activities. They provide valuable support, input and business contacts, and also strategic or significant business alliances or opportunities. Although the Non-Executive Directors are not involved in the day-to-day running of the Company's business, they play an invaluable role in furthering the business interests of the Group by:

(a) contributing their experience and expertise in the making of the Board decisions or strategies;

(b) constructively challenging and assisting in developing proposals on strategy;

(c) review Management's performance in meeting agreed goals and objectives;

(d) participating in decisions on the appointment, assessment and remuneration of the Executive Director and key management personnel generally; and

(e) monitoring the reporting of the Group's performance.

Independent Directors meet without the presence of Management during the course of Board meetings or outside of Board meetings, and provide feedback to the Board and/or Chairman as appropriate.

**Chairman and Chief Executive Officer**

**Principle 3**

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

**Provisions 3.1 and 3.2**
**Separation of Role of Chairman and Chief Executive Officer**

Mr David Chiem Phu An is both the Chairman and the CEO of the Company.

As the CEO, Mr Chiem bears executive responsibility for the overall management and strategic development of the Group. He provides insights on the day-to-day running of the Company's operations, and Management's views without undermining Management's accountability to the Board. He also collaborates closely with the Non-Executive Directors for the long-term success of the Company.

As the Chairman, Mr Chiem is responsible for, but not limited to:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the board agenda and conducting effective board meetings, and ensuring that the culture in board meetings promotes open interaction and contributions by all board members;

(c) promoting a culture of openness and debate at the Board;

(d) ensuring that the Directors receive complete, adequate and timely information;

(e) ensuring effective communication with shareholders and other stakeholders;

(f) ensuring appropriate relations within the Board, and between the Board and Management;

(g) facilitating the effective contribution of all Directors; and

(h) promoting high standards of corporate governance.

The Board has established in writing the division of responsibilities between the Chairman and the CEO.

Although the Chairman and the CEO is the same person, major decisions of the Group are made in consultation with the Board in line with the transactions that require the Board's approval. The CEO also reports to the Board which comprises a majority of Non-Executive Directors, and all the Board Committees are also chaired by Independent Directors of the Company. In addition, Mr Chiem abstains from discussions and decisions where he is conflicted. These measures avoid concentration of power in Mr Chiem and ensure a degree of checks and balances.

The Board believes that notwithstanding that the Chairman and the CEO is the same person, there is an appropriate balance of power, increased accountability and greater capacity for independent decision making within the Board.

**Provision 3.3**
**Lead Independent Director**

The Board does not have a Lead Independent Director as of the date of this Annual Report and Sustainability Report FY2025. Where the Chairman is conflicted or in his absence, the remaining directors, including the three independent directors, may elect one amongst themselves who will chair Board meetings, lead the Board, facilitate confidential discussion with the Non-Executive Directors on any concerns, resolve conflicts of interest, and facilitate communication between the Board and the shareholders or other stakeholders of the Company.

Shareholders with concerns may contact any of the three independent directors directly through the channel as described in the Company's website, when contact through the normal channels of communication via the Chairman and the CEO or the Chief Financial Officer ("**CFO**") has failed to provide satisfactory resolution, or when such contact is inappropriate or inadequate. All the Independent Directors meet at least annually without the presence of the other Directors, for feedback to the Chairman thereafter.

**Board Membership**

**Principle 4**

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

**Provisions 4.1 and 4.2**
**Roles and Responsibilities of the Nominating Committee**

The Nominating Committee comprises the following Independent Directors:

Mr Lee Suan Hiang (Chairman) (stepped down on 14 August 2025)
Mr Teo Ser Luck (Chairman) (appointed on 14 August 2025)
Dr Roger Neil Sexton AM
Prof Petrina Sue Coventry

In accordance with its terms of reference, the roles and responsibilities of the Nominating Committee include, among others:

(a) making recommendations to the Board on relevant matters relating to:

  (i) the review of succession plans for the Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and Management;

  (ii) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

  (iii) the review of training and professional development programmes for the Board and its Directors; and

  (iv) the appointment and re-appointment of Directors (including alternate Directors, if applicable);

(b) identifying candidates, reviewing and approving nominations for the positions of Director or if applicable, alternate Director (whether appointment or re-appointment) and membership of the Board Committees (including Audit, Nominating and Remuneration Committees), as well as appraising the qualifications and experience of any proposed new appointments to the Board and to recommend to the Board whether the nomination should be supported;

(c) ensuring that the Board and Board Committees comprise Directors who, as a group, provide an appropriate balance and diversity of skills, experience, genders and knowledge of the Group and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer – based experience or knowledge, taking into account, among other things, the future requirements of our Group and the guidelines recommended under the Code;

(d) reviewing on an annual basis, and as and when circumstances require, if a Director is independent, bearing in mind the circumstances set forth in the Code and any other salient factors; and

(e) where a Director has multiple board representations, deciding whether the Director is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the Director's number of listed board representations and other principal commitments.

**Provision 4.3**
**Process for Selection, Appointment and Re-appointment of Directors**

In the search, nomination and selection process for new Directors, the Nominating Committee identifies the key attributes that an incoming Director should have, based on considerations such as board diversity, a matrix of the attributes of the existing Board and the requirements of the Group. After endorsement by the Board of the key attributes, the Nominating Committee taps on the resources of Directors' personal contacts and recommendations of potential candidates or independent search firms and institutions, and goes through a shortlisting process. The Nominating Committee also oversees the re-appointment of Directors as and when their tenure of appointment is due. In assessing the Directors for re-appointment, the Nominating Committee evaluates several criteria including qualifications, contributions and independence of the Directors.

Pursuant to the Company's Constitution, newly appointed Directors must submit themselves for re-election at the next following Annual General Meeting of the Company. The Nominating Committee has recommended to the Board that Mr Teo Ser Luck, being newly appointed last 14 August 2025 to fill in a casual vacancy, be nominated for re-appointment pursuant to Regulation 100 of the Constitution. Mr Teo has consented to stand for re-election at the forthcoming Annual General Meeting.

The Constitution also requires one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) to retire by rotation at every Annual General Meeting. All Directors who are subject to retirement are eligible for re-election at the meeting. The Nominating Committee has recommended to the Board that Ms Catherine Du, being the longest in office, be nominated for re-appointment pursuant to Regulations 94 and 95 of the Constitution. Ms Du has consented to stand for re-election at the forthcoming Annual General Meeting.

The Board has concurred with the Nominating Committee's recommendations.

The Board regards the importance of succession plans to ensure progressive and orderly renewal of leadership and continuity of the Company's operations and plans and to protect the interests of the shareholders. The Board has put in place succession plans for the Directors, Chairman, CEO and key management personnel. As part of the succession plans, the successors to key positions are identified, and development plans are instituted for them.

**Provision 4.4**
**Determining Directors' Independence**

The Nominating Committee is also responsible for determining annually, the independence of Directors. In doing so, the Nominating Committee takes into account the circumstances set forth in the Code and any other salient factors.

All Directors are required to disclose any relationships or appointments which would impair their independence to the Board on a timely basis. Each Independent Director is also required to complete and submit to the Company Secretary a Director's Confirmation of Independence Form annually to confirm his independence based on the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

Based on the evaluations and results of a review conducted by the Nominating Committee, the Board has considered Dr Roger Neil Sexton AM, Prof Petrina Sue Coventry and Mr Teo Ser Luck as Independent Directors of the Company and each of them is regarded to be independent in conduct, character and judgment, and that there are no relationships with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company and the Group. None of the Independent Directors have served the Company for an aggregate period of more than nine years.

Following its annual review, the Nominating Committee has determined, and the Board has confirmed the independence status of the Directors as set out below:

| **Name** | **Independence Status** |
|---|---|
| David Chiem Phu An | Non-Independent |
| Catherine Du | Non-Independent |
| Dr Roger Neil Sexton AM | Independent |
| Prof Petrina Sue Coventry | Independent |
| Teo Ser Luck | Independent |

**Provision 4.5**
**Multiple Directorships**

Information on the listed company directorships and other principal commitments of the Directors have been set out under the 'Board of Directors' and 'Directors' Statement' sections of this Annual Report and Sustainability Report FY2025.

The Nominating Committee ensures that new Directors are aware of their duties and obligations. The Nominating Committee also decides if a Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The Nominating Committee has recommended to the Board that no maximum number of listed board directorships and principal commitments which any Director may hold be determined. The Nominating Committee is of the view that Directors with multiple directorships can still continue to fulfill their directorial obligations effectively and factors, such as attendance, participation and contribution, should be considered collectively. Considering that the current Directors' participation and involvement in various active discussions as well as commitment to the Company's affairs are satisfactory, the Board has agreed not to determine maximum number of listed board directorships and principal commitments which any Director may hold. The Board is also satisfied that each Director is able to and has been adequately carrying out and diligently discharging his or her duties as a Director of the Company.

**Board Performance**

**Principle 5**

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

**Provisions 5.1 and 5.2**
**Assessing Board Performance**

The Nominating Committee recommended, and the Board approved the objective performance criteria process for the evaluation of the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board. The performance criteria aim to measure the Directors' contribution and how the Board has enhanced long-term shareholder value. The Board also approved and implemented a board evaluation process to be carried out by the Nominating Committee annually.

The performance criteria include assessing the Board and Board Committee structure, strategy and performance, board risk management and internal controls, information to the Board and Board Committees, board procedures, CEO and Management, standards of conduct and Board/Board Committee Chairman.

In addition, individual Directors carry out self-assessment which is reviewed by the Nominating Committee. The self-assessment focuses on attendance, commitment and contributions in areas such as corporate strategies, finance/accounting, risk management, legal/regulatory, human resources and industry knowledge, as well as participation in the Board and/or Board Committee discussion and disclosure of related party transactions and conflicts of interest. The board evaluation process is conducted in-house by the Company Secretary who is responsible for circulating the survey to each Director for his or her completion, consolidating the results and proposing areas of improvements for the Nominating Committee's recommendation to the Board for approval. The Chairman acts on the results of the board evaluation, and in consultation with the Nominating Committee, proposes, where appropriate, new members to be appointed to the Board or seek the resignation of Directors. Each member of the Nominating Committee abstains from voting on any resolutions in respect of any matter in which he has an interest. Based on the board evaluation results, the Nominating Committee and the Board are satisfied as to the effectiveness of the Board as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the Board.

Although the board evaluation process is conducted in-house, the NC may make recommendation to the Board on the use of external facilitators, as and when it deems necessary.

**(B) REMUNERATION MATTERS**

**Procedures for Developing Remuneration Policies**

**Principle 6**

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

**Provisions 6.1, 6.2 and 6.3**
**Roles and Responsibilities of the Remuneration Committee**

The Remuneration Committee comprises the following Independent Directors:

Prof Petrina Sue Coventry (Chairperson)
Dr Roger Neil Sexton AM
Mr Lee Suan Hiang (stepped down on 14 August 2025)
Mr Teo Ser Luck (appointed on 14 August 2025)

In accordance with its terms of reference, the primary responsibilities of the Remuneration Committee include, among others:

(a) reviewing and making recommendations to the Board on:

 (i) a framework of remuneration for the Board and key management personnel; and

 (ii) the specific remuneration packages for each Director and key management to all aspects of remuneration, including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination terms, to ensure that they are fair and avoid rewarding poor performance;

(b) ensuring the remuneration policies and systems of the Group, as approved by the Board, support the Group's objectives and strategies, and are consistently administered and being adhered to within the Group;

(c) in the case of service contracts, reviewing the obligations arising in the event of termination of the Executive Director or key management personnel's service contract, to ensure that such service contracts contain fair and reasonable termination clauses which are not overly generous;

(d) proposing, for adoption by the Board, appropriate and meaningful performance criteria to assist in the evaluation of the performance of the Executive Director and key management personnel; and

(e) administering the MindChamps PreSchool Performance Share Plan and the MindChamps PreSchool Share Option Plan (the "**Share Plans**") in accordance with the rules of the respective Share Plans, as the case may be, and the Listing Manual, and recommending the same with such adjustments or modifications as it may deem necessary, to our Board, for endorsement.

If a member of the Remuneration Committee has an interest in a matter being reviewed or considered by the Remuneration Committee, he will abstain from voting on that matter.

The Remuneration Committee also reviews the reasonableness of the termination clauses of the contracts of service of the Company's Executive Director and key management personnel. Each of the Executive Director and key management personnel has a service agreement or employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on a long-term basis and no onerous removal clauses are contained in the service agreement or employment contract.

**Provision 6.4**
**Engagement of Remuneration Consultants**

The Remuneration Committee may from time to time seek advice on the remuneration of all Directors from external remuneration consultants whose independence and objectivity are not affected by any existing relationships with the Company. No remuneration consultants were engaged by the Company in FY2025.

**Level and Mix of Remuneration**

**Principle 7**

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

**Provision 7.1**
**Remuneration of Executive Director and Key Management Personnel**

The remuneration of the Company's Executive Director and key management personnel has been formulated to attract, retain and motivate individuals the Group relies on to achieve its business strategy and create long-term value for its shareholders. The Remuneration Committee believes that fair performance-related pay should motivate good performance and that rewards should be closely linked to and commensurate with it. A significant and appropriate proportion of the Executive Director's and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is also aligned with the achievement of the objectives of their functions and the interests of shareholders and other stakeholders and promotes the long-term success of the Company.

**(I) Founder CEO and Executive Chairman**

Mr David Chiem Phu An does not receive a Director's fee. His service agreement provides for compensation in the form of a fixed monthly salary and a variable and/or performance bonus which may be awarded for each financial year of the Company during the continuance of his employment, to be determined by the Board, based on his performance and the performance of the Company for that financial year.

As the Chairman and the CEO, Mr Chiem is consulted by the Remuneration Committee on matters relating to the other key management personnel who report to him on matters relating to the performance of the Company. Mr Chiem abstains from participation in discussions and decisions in relation to his own remuneration.

**(II) Other Key Management Personnel**

The service agreements with the other key management personnel provides for compensation in the form of a fixed monthly salary and a variable and/or performance bonus which may be awarded for each financial year of the Company during the continuance of his or her employment, to be determined by the Board, based on their performance and the performance of the Company for that financial year.

**Provision 7.2**
**Remuneration of Non-Executive Directors**

The Remuneration Committee is of the view that the remuneration of the Company's Non-Executive Directors is appropriate to their level of contribution, taking into account factors such as effort and time spent and the role and responsibilities of the Non-Executive Directors, and the said remuneration does not compromise the independence of the Non-Executive and Independent Directors.

There is no policy to prohibit or require the Non-Executive Directors to hold shares in the Company. However, Non-Executive Directors are encouraged to acquire shares of the Company in order to align their interests with that of the shareholders. Non-Executive and Independent Directors are also advised to acquire shares of the Company with due care and within a limit that does not comprise their independence.

**Provision 7.3**
**Long-term Incentive Scheme**

The Company recognises that remuneration must be appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The Company has the Share Plans which the Remuneration Committee can recommend as long-term incentive schemes for Executive Director and key management personnel, whereby the shares or grant of options vest over a period of time pursuant to vesting schedules where only a portion of the benefits can be exercised each year.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. If required, the Remuneration Committee will consider instituting such contractual provisions.

**Disclosure on Remuneration**

**Principle 8**

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

**Provision 8.1**
**Remuneration of Directors, Chief Executive Officer and Key Management Personnel**

Remuneration of each Director, including the CEO, for FY2025 is set out below:

| Name of Director | Position | Breakdown of Remuneration in Percentage (%) | | | | | Total Remuneration S$'000 |
|---|---|---|---|---|---|---|---|
| | | Director's Fee | Salary(1) | Bonus(1) | Other Benefits(2) | Total | |
| David Chiem Phu An | Founder Chief Executive Officer and Executive Chairman | – | 95.3% | – | 4.7% | 100.00% | 975.954 |
| Catherine Du | Non-Independent Non-Executive Director | 100.00% | – | – | – | 100.00% | 27.5 |
| Dr Roger Neil Sexton AM | Independent Director | 100.00% | – | – | – | 100.00% | 58.3 |
| Lee Suan Hiang(3) | Independent Director | 100.00% | – | – | – | 100.00% | 26.06 |
| Prof Petrina Sue Coventry | Independent Director | 100.00% | – | – | – | 100.00% | 54.45 |
| Teo Ser Luck(4) | Independent Director | 100.00% | – | – | – | 100.00% | 14.556 |
| **Total Remuneration (S$'000) of Directors** | | | | | | **1,156.82** | |

**Notes:**

(1) Included provident fund contribution by employer.

(2) Included insurance, medical benefits, car benefits, mobile and travel allowances, professional membership fees and long-term incentives, if any.

(3) Stepped down as an Independent Director on 14 August 2025.

(4) Appointed as an Independent Director on 14 August 2025.

CEO, meanwhile, is responsible for reviewing the appropriateness of the remuneration of each of the Company's key management personnel (who are not Directors or the CEO) as well as their annual salary increase, taking into consideration his or her overall target-based performance and the Company's performance measured against the annual performance targets determined in advance. Remuneration of each the Company's key management personnel (who are not Directors or the CEO) for FY2025 is disclosed in bands of S$250,000 as set out below:

| Annual remuneration by bands | Key Management Personnel |
|---|---|
| S$250,001 – S$500,000 | Yip Bao Chung |
| S$500,001 – S$750,000 | Peh Poh Geok |

**Provision 8.2**
**Remuneration of Employees who are substantial Shareholders or immediate family members of a Director or the CEO**

Save for Mr David Chiem Phu An who is the CEO and a substantial shareholder of the Company, there are no employees of the Group who are substantial shareholders of the Company, or are immediate family members (defined in the Listing Manual as the spouse, child, adopted child, step-child, brother, sister and parent) of a Director, the CEO or a substantial shareholder of the Company.

**Provision 8.3**
**Employee Share Option Scheme**

The Company's Share Plans were approved by shareholders at an Extraordinary General Meeting held on 9 November 2017. The details and terms of the Share Plans were set out in Appendixes E and F of the Company's Prospectus dated 17 November 2017 (the "**Prospectus**"). There were no options granted or shares issued under the Share Plans during FY2025.

## (C) ACCOUNTABILITY AND AUDIT

**Risk Management and Internal Controls**

**Principle 9**

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

**Provision 9.1**
**Risk Management**

The Board is responsible for the overall risk management and internal control framework, including determining the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation. The Board ensures that Management maintains a sound system of risk management and internal controls. Management is responsible for designing, implementing and monitoring the risk management and internal control systems. Management has put in place a financial risk management policy and regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the Directors and the Audit Committee. Details of the Group's risk management policy are set out in Note 28 "Financial Risk Management" of the Notes to the Financial Statements.

The Board delegates its authority to the Audit Committee to oversee the risk management and internal controls of the Group. The Board (through the Audit Committee) monitors and reviews the effectiveness of the Group's system of internal controls and risk management which includes:

(a) discussions with Management on risks identified by Management;

(b) the audit processes;

(c) the review of internal and external audit plans; and

(d) the review of significant issues arising from internal and external audits.

However, the Board acknowledges that no cost-effective risk management and internal controls system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of risk.

The Group had engaged Messrs. KPMG Services Pte. Ltd. to facilitate the set up of an Enterprise Risk Management ("**ERM**") Framework (the "**ERM Framework**"), which governs the risk management process in the Group. The ERM Framework enables the identification, prioritisation, assessment, management and monitoring of key risks to the Group's business. The risk management process in place covers, *inter alia*, financial, operational, compliance and information technology risks faced by the Group. The key risks of the Group are deliberated by Management and reported to the Audit Committee. The Audit Committee reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environment which the Group operates in. Complementing the ERM framework is a Group-wide system of internal controls, which includes documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks-and-balances built into the business processes.

To ensure that internal controls and enterprise risk management processes are adequate and effective, the Audit Committee is assisted by various independent professional service providers. The external auditors provide reasonable assurance on the true and fair presentation of the Group's financial statements. Outsourced internal auditors provide assurance that controls over the key risks of the Group are adequate and effective.

**Provision 9.2**
**Board's Comment on Adequacy and Effectiveness of Internal Controls**

In order to obtain assurance that the Group's risks are managed adequately and effectively, the Board reviews an overview of the risks which the Group is exposed to, as well as an understanding of what counter-measures and internal controls are in place to manage them. In this aspect, the Audit Committee reviews the audit plans, and the findings of the auditors and ensures that the Group follows up on the auditors' recommendations raised, if any, during the audit process. The Audit Committee guides Management to check and ensure the adequacy of the internal controls.

The Board has obtained written assurance:

(a) from the CEO and the CFO, that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) from the CEO and other key management personnel, regarding the adequacy and effectiveness of the Group's risk management and internal control systems.

Based on the internal controls and risk management framework established and maintained by the Group, work performed by the internal and external auditors and reviews performed by Management, various Board Committees and the Board, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls and risk management systems, were adequate and effective as at 31 December 2025.

## Audit Committee

### Principle 10

The Board has an Audit Committee which discharges its duties objectively.

### Provisions 10.1, 10.2 and 10.3
### Roles and Responsibilities of the Audit Committee

The Audit Committee comprises the following Independent Directors:

Dr Roger Neil Sexton AM (Chairman)
Prof Petrina Sue Coventry
Mr Lee Suan Hiang (Stepped down on 14 August 2025)
Mr Teo Ser Luck (Appointed on 14 August 2025)

The Board is of the view that all the members of the Audit Committee are appropriately qualified to discharge their responsibilities. The majority of the Audit Committee members, including the Chairman of the Audit Committee, have recent and relevant accounting or related financial management expertise and experience. None of the Audit Committee members are former partners or directors of the Group's existing auditing firm or auditing corporation.

In accordance with its terms of reference, the roles and responsibilities of the Audit Committee include, among others:

- assisting the Board in fulfilling its responsibility for overseeing the integrity of the Company's system of accounting and financial report and in maintaining a high standard of transparency and reliability in its corporate disclosures;

- reviewing and recommending to the Board financial statements and any significant financial reporting issues and judgments to ensure the integrity of the financial statements and any announcements relating to the Company's financial performance;

- reviewing and reporting to the Board, at least annually, the adequacy and effectiveness of the Group's internal control systems, including financial, operational, compliance and information technology controls, and risk management policies and systems;

- reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

- reviewing accounting policies;

- reviewing the adequacy, effectiveness, independence, objectivity, scope and results of the external audit and the Company's internal audit function, their audit plans and the assistance given by Management to the auditors;

- approving the hiring, removal, evaluation and compensation of the accounting/auditing firm or corporation to which the internal audit function is outsourced;

- making recommendations to the Board on the proposals to shareholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

- reviewing any interested person transactions as defined in the Listing Manual;

- reviewing and resolving all conflicts of interest matters referred to it;

- reviewing any actual or potential conflicts of interest that may involve the Directors as disclosed by them to the Board, exercising Directors' fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interest by a Director, the Audit Committee will consider whether a conflict of interest does in fact exist. A Director who is a member of the Audit Committee will not participate in any proceedings of the Audit Committee in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as the Audit Committee may deem reasonably necessary;

- reviewing and assessing from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with the Company's controlling shareholders and propose, where appropriate, the relevant measures for the management of such conflicts;

- reviewing any potential conflicts of interest (including any potential conflicts of interest that may arise with respect to the granting of franchise licences to third parties);

- reviewing the report, to be submitted at the end of each quarter, on rejected applicants for franchise licences; and

- reviewing the Company's policy and arrangements for employees and any other persons to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee ensures that these arrangements allow such concerns to be raised and independently investigated, and proportionate and independent investigation of such matters and appropriate follow-up action be taken. A whistle-blowing policy has been established for employees of the Group and any other persons to report and raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting or other matters. The policy is disseminated to all employees of the Group and is posted on the Company's corporate website. The policy is intended to provide an open and confidential process for the Group's employees, suppliers, customers and other stakeholders to express genuine concerns on any serious wrongdoing, such as unlawful conduct, financial malpractice, fraud, or corruption. The policy aims to encourage individuals to be confident in raising genuine concerns without fear of reprisal, discrimination or adverse consequences. It also allows the investigation of any actual, suspected or anticipated wrongdoing within or by the Group. The policy provides examples of reportable incidents, principles and reporting and handling procedures. Any genuine concerns may be raised in writing to the Audit Committee through the channel as described in the Company's website. The Audit Committee reports to the Board on such matters at the Board meetings.

The Audit Committee also keeps abreast of changes in accounting standards and issues which impact the financial statements through briefings from auditors during the Audit Committee meetings.

The Company has appointed Messrs Forvis Mazars LLP as its external auditors to meet its audit obligations and has assessed that they have the adequate resources and experience to audit the Company and its Group. The Company is in compliance with Rules 712 and 715 of the Listing Manual.

The Audit Committee assesses the independence of the external auditors annually. The aggregate amount of fees paid for or payable to the external auditors of the Group and K.S. Black & Co for FY2025 was:

| | **S$'000** |
|---|---|
| Audit fees | 256 |
| Non-audit fees | – |
| **Total** | **256** |

The external auditors confirm that Forvis Mazars LLP, as the Group auditor, and K.S. Black & Co., as the component auditor, together with their respective audit teams, are independent with respect to the audit of the Group, in accordance with the Accountants (Public Accountants) Rules 2004.

The Audit Committee has reviewed services rendered by the external auditors in FY2025 as well as the fees paid and is satisfied that the independence of the external auditors has not been impaired and compromised as there was no non-audit service provided by the external auditors.

**Provision 10.4**
**Internal Audit Function**

The Company has engaged Messrs KPMG Services Pte. Ltd. as its internal auditors. The primary reporting line of the internal audit function is the Audit Committee.

The Audit Committee, in consultation with Management, approves the hiring, removal, evaluation and fees of the internal auditors. Procedures are in place for the internal auditors to report independently on their findings and recommendations to the Audit Committee for review. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the Audit Committee. Management updates the Audit Committee on the status of any remedial action plans recommended by the internal auditors.

The primary functions of the internal audit are to help:

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

During FY2025, the internal auditors adopted a risk-based audit approach that focused on material internal controls, including financial, operational, compliance and information technology controls. Internal audit reports were submitted to the Audit Committee for deliberation, with copies of these reports extended to Management.

The Audit Committee is satisfied that the internal audit team from Messrs. KPMG Services Pte. Ltd. is staffed by suitably qualified and experienced professionals and is independent, effective and adequately resourced. The internal audit work carried out is guided by the KPMG Global Internal Audit standard and the International Standards for the Professional Practice of Internal Auditing set out in the International Professional Practices Framework issued by The Institute of Internal Auditors (the "**IIA**"). The internal auditors are members of the IIA, Singapore, a professional internal auditing body affiliated to the IIA, Inc.

The Audit Committee reviews annually the adequacy and effectiveness of the internal auditors through:

(a) approving the internal audit plan prior to the commencement of the internal audit work; and

(b) reviewing the internal controls recommendations report subsequent to the completion of internal audit work.

**Provision 10.5**
**Meeting with External and Internal Auditors without Presence of Management**

The Audit Committee meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least once a year.

Such meetings enable the Audit Committee to:

(a) obtain feedback on the competency and adequacy of the finance function;

(b) enquire into the root causes for major audit adjustments and issues; and

(c) inquire if there are any material weaknesses or control deficiencies over the Group's financial reporting process and the corresponding effect on the financial statements as well as over other operational, compliance and information technology areas.

The meetings also enable the external auditors and internal auditors to raise issues encountered in the course of their work directly to the Audit Committee.

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

**Shareholder Rights and Conduct of General Meetings**

**Principle 11**

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

**Provisions 11.1**
**Shareholder Rights**

The Company believes that strong participation from shareholders in general meetings will greatly enhance the shareholders' visibility of the Group's operations and performance. It will also further align the shareholders' interests with the Group's future directions and strategies. The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the share price or value. The Company provides shareholders with the opportunity to participate effectively in and vote at general meetings and informs them of the rules governing the general meetings. Shareholders will be able to proactively engage the Board and Management on the Group's business activities, financial performance and other business-related matters.

**Provisions 11.2, 11.3, 11.4 and 11.5**
**Attendance at General Meetings**

At the AGM, the following agenda may generally take place:

(a) the CEO and/or the CFO and/or Senior Director, Finance present the progress and performance of the Group and encourage shareholders to participate in the Question and Answer session;

(b) the external auditors are present to address shareholders' queries on the conduct of the audit and the preparation and content of their report;

(c) the Chairpersons of the Audit, Nominating and Remuneration Committees, or members of the respective Committees are present to address shareholders' queries relating to the work of the Board and Board Committees;

(d) appropriate senior management personnel/members are also present to respond, if necessary, to operational questions from shareholders; and

(e) each item of special business included in the notice of the meeting is accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting. Where the resolutions are bundled or made inter-conditional on each other, the Company provides clear explanations in the notice of meeting so to ensure that shareholders are given the right to express their views and exercise their voting rights on each separate resolutions.

The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the proposed resolutions and/or ask the Directors or Management questions regarding the Company and its operations. Shareholders are informed of the AGM of the Company through notices sent to all shareholders. The notices are available on the websites of the Company and SGX-ST. Shareholders may download the Annual Report and Sustainability Report FY2025 and notice of AGM from the Company's website at https://investor.mindchamps.org/ and the SGX-ST's website. All Directors and the external auditors attended the last AGM in 2025.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Company does not allow a shareholder to vote in absentia at general meetings except through the appointment of a proxy, attorney or in the case of a corporation, a corporate representative, to cast their vote in their stead. Each shareholder who is entitled to attend and vote may either vote in person or appoint not more than two proxies. Corporations which provide nominee or custodial services are allowed to appoint more than two proxies so that shareholders who hold shares through such corporations can attend and participate in general meetings as proxies.

All resolutions at general meetings are put to vote by poll and the results of each resolution are announced with details of percentages in favour and against. Management makes a presentation to shareholders to update them on the Company at general meetings. The results and presentation are announced after the general meetings via SGXNet and uploaded on the Company's website at https://investor.mindchamps.org/.

The minutes of general meetings, which record substantial and relevant comments or queries from shareholders relating to the agenda and response from the Board and Management, are prepared by the Company Secretary and are made available to shareholders upon their request. Minutes of the AGM for the financial year ended 31 December 2024 is available on SGXNet and on the Company's website at https://investor.mindchamps.org/.

**Provision 11.6**
**Dividend Policy**

The Company currently does not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by the Board at their discretion, after considering a number of factors, including the Group's level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Group's expected financial performance.

The Board currently intends to utilise and/or reinvest any profits generated in FY2025 from operations in the Company's business (including financing acquisition activities) and does not intend to pay any dividends to shareholders with respect to profits generated in FY2025.

**Engagement with Shareholders**

**Principle 12**

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

**Provisions 12.1, 12.2 and 12.3**
**Communication with Shareholders**

The Group has an investor relations team which communicates with its shareholders and analysts on a regular basis and attends to their queries or concerns. Together with the Communications department, the team also manages the dissemination of corporate information to the media, public, institutional investors and shareholders on a fair and non-selective disclosure basis, and acts as a liaison point for such entities and parties. Shareholders can avail themselves of a telephone or email feedback line that goes directly to the Group's investor relations team.

The Group also monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Results and annual reports and sustainability reports are announced or issued within the mandatory period. Briefings for the financial results are conducted for analysts and the media following the release of the results via SGXNet. Presentations are made, as appropriate, to explain the Group's strategy, performance and major developments.

All material information and analysts' and media briefing materials are made available on SGXNet and on the Company's website at https://investor.mindchamps.org/, and where appropriate, for the information of shareholders.

The Company values dialogue with its shareholders and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible. Thus, the Company supports and encourages active shareholder participation at general meetings. The Board believes that general meetings serve as an opportune forum for Shareholders to meet and interact with the Board and Management. Information on general meetings is also disseminated through notices in the annual reports and sustainability reports or circulars sent to all shareholders, to encourage attendance from the shareholders.

The Company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

**Engagement with Stakeholders**

**Principle 13**

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

**Provisions 13.1, 13.2 and 13.3**
**Communication with Stakeholders**

The Company recognises not only its obligations to shareholders but also the interests of its material stakeholders. The Company maintains a current corporate website to communicate with its stakeholders and regularly engages its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve and sustain the business operations for long-term growth.

Four material stakeholder groups have been identified through an assessment of their significance to the Group's business operations. They are namely, customers, media, shareholders and analysts, and employees. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. Please refer to the Company's sustainability report section of this Annual Report and Sustainability Report FY2025.

**OTHER CORPORATE GOVERNANCE MATTERS**

**1. Interested Persons Transactions**

The Company has established review and approval procedures to ensure that interested person transactions ("**IPT**") entered into by the Group are conducted on normal terms and are not prejudicial to the interest of the shareholders.

Disclosure of IPT for FY2025 is set out as follows:

| **Name of Interested Person** | **Nature of relationship** | **Aggregate value of all interested person transactions conducted (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)** | **Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)** |
|---|---|---|---|
| | | **S$'000** | **S$'000** |
| **Fees received** | | | |
| MindChamps Holdings Pte. Limited | Controlling shareholder and associate of the director and CEO | 430 | – |
| MindChamps Enrichment Academy Pte. Limited | Associate of the director, CEO and controlling shareholder | 164 | – |

All of the transactions in the above table are covered under the following Agreements:

(a) the Corporate Services Agreement dated 9 November 2017 between the Company and MindChamps Holdings Pte. Limited ("**MCH**") and its subsidiary corporations;

(b) the Franchise Agreement dated 11 November 2016 between MindChamps PreSchool Singapore Pte. Limited (a subsidiary corporation of the Company) and MindChamps Enrichment Academy Pte. Limited (the agreement was previously entered into by MindChamps Singapore Pte. Limited (a subsidiary corporation of MCH) but was novated to MindChamps Enrichment Academy Pte. Limited on 3 January 2020);

As set out in the Company's Prospectus, investors, upon subscription of the Offering Shares (as defined in the Prospectus), are deemed to have specifically approved the transactions with interested persons covered under the said Agreements, and as such these transactions are not subject to Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent changes to the terms of the Agreements in relation to each of these transactions.

The Company has in place an IPT policy to ensure that any IPT between an entity at risk and an interested person are carried out on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders. The policy sets out, among others, the definitions of IPT and interested persons, the procedures for entering into and monitoring the IPT, and the review, approval and disclosure obligations.

**2. Material Contracts**

Except as disclosed above and the contracts described in the 'Interested Person Transactions and Potential Conflicts of Interest' section of the Prospectus, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the CEO, each Director or controlling shareholder, which are either still subsisting at the end of the FY2025 or, if not then subsisting, were entered into since the end of the previous financial year.

## 3. Dealings in Securities

Directors and employees of the Group are prohibited from dealing with the Company's securities on short-term considerations and during the period commencing one month before the announcement of the Company's half year and full year financial statements, in compliance with Rule 1207(19) of the Listing Manual.

Memoranda are issued to all Directors and employees of the Group to remind them of, *inter alia*, laws of insider trading and the importance of not dealing in the shares of the Company on short-term consideration or during prohibited periods. Directors and employees are expected to observe the insider trading laws at all times even when dealing in shares of the Company within permitted trading periods.

## 4. Further Information on Directors Seeking Re-election

| **Name of Director** | Catherine Du | Teo Ser Luck |
|---|---|---|
| **Date of Appointment** | 1 June 2010 | 14 August 2025 |
| **Date of last re-appointment** | 29 May 2024 | N/A |
| **Age** | 55 | 57 |
| **Country of principal residence** | Australia | Singapore |
| **The Board's comments on this re-appointment** | The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Ms Du for re-appointment as an Non-Independent Non-Executive Director of the Company.<br><br>The Board concluded that Ms Du possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. | The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, work experience and suitability of Mr Teo for re-appointment as an Independent Director of the Company.<br><br>The Board concluded that Mr Teo possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. |
| **Whether appointment is executive, and if so, the area of responsibility** | Non-Executive | Non–Executive |
| **Job Title** | Non-Independent Non-Executive Director | • Independent Director<br>• Chairman of the Nominating Committee<br>• Member of the Audit Committee<br>• Member of the Remuneration Committee |
| **Professional qualifications** | Associate Diploma of Business (Accounting) from the New South Wales Technical and Further Education Commission | Degree in Accountancy, Nanyang Technological University |
| **Working experience and occupation(s) during the past 10 years** | Please refer to the 'Board of Directors' section in the Company's 2025 Annual Report | Please refer to the 'Board of Directors' section in the Company's 2025 Annual Report |

| | | |
|---|---|---|
| **Shareholding interest in the Company and its subsidiaries** | Please refer to the 'Directors' Statement' and 'Shareholders' Information' sections in the Company's 2025 Annual Report | Nil |
| **Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or of any of its principal subsidiaries** | Ms Du holds 35.77% of the issued ordinary shares of Champion Minds Pte. Limited ("Champion Minds"), which in turn wholly-owns MindChamps Holdings Pte. Limited ("MCH"), the substantial shareholder of the Company. Ms Du is also a director of Champion Minds and MCH. | Nil |
| **Conflict of interest (including any competing business)** | Nil | Nil |
| **Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the Company** | Yes | Yes |
| **Other Principal Commitments Including Directorships – Past (for the last 5 years)** | • Director, MindChamps PreSchool @ Buangkok Private Limited<br>• Director, MindChamps PreSchool @ Punggol Northshore Pte. Limited<br>• Director, MindChamps PreSchool @ Woodlands Pte. Ltd.<br>• Director, MindChamps Medical @ Tiong Bahru Pte. Limited (struck off)<br>• Director, MindChamps PreSchool @ Zhongshan Park Pte. Ltd.<br>• Director, MindChamps PreSchool @ Serangoon Pte. Limited<br>• Director, MindChamps Medical @ One KM Pte. Limited (struck off)<br>• Director, Geoconcepts International (Singapore) Pte. Ltd.<br>• Director, MindChamps PreSchool @ Paragon Pte. Limited<br>• Director, MindChamps Publishing Pte. Limited (struck off)<br>• Director, MindChamps (Malaysia) Sdn. Bhd. (struck off) | • Lead Independent Director, United Engineers Limited |

| | | |
|---|---|---|
| **Other Principal Commitments Including Directorships – Present** | • Director, MindChamps PreSchool @ Marina Square Pte. Limited<br>• Director, MindChamps Allied Care @ Marina Square Pte. Limited<br>• Director, MindChamps Allied Care Group Pte. Limited<br>• Director, Champion Mindset Coaching Federation Limited<br>• Director, Champion Mindset Academy Pte. Limited<br>• Director, MindChamps Music Pte. Limited<br>• Director, MindChamps WorldSchool Pte. Limited<br>• Director, MindChamps Kids Nutrition Pte. Limited<br>• Director, Champsmall Pte. Limited<br>• Director, Champs Food Pte. Limited<br>• Director, MindChamps Media Pte. Limited<br>• Director, MindChamps Shanghai Pte. Limited<br>• Director, MindChamps Enrichment Academy Pte. Limited<br>• Director, MindChamps PreSchool Singapore Pte. Limited<br>• Director, MindChamps Singapore Pte. Limited<br>• Director, MindChamps Holdings Pte. Limited<br>• Director, Champion Minds Pte. Limited<br>• Director, Citronelle Pte. Ltd.<br>• Director, Vision+ Ventures Pte. Ltd. | • Independent Non-Executive Director, Super Hi International Holding Ltd<br>• Independent Non-Executive Director, Yanlord Land Group Limited<br>• Lead Independent Director, Straco Corporation Limited<br>• Lead Independent Non-Executive Director, China Aviation Oil (Singapore) Corporation Ltd<br>• Chairman and Independent Non-Executive Director, BRC Asia Limited<br>• Deputy Chairman, Serial System Limited |
| **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.** | | |
| **(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?** | No | No |

| | | |
|---|---|---|
| **(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?** | No | No |
| **(c) Whether there is any unsatisfied judgment against him?** | No | No |
| **(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?** | No | No |
| **(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?** | No | No |

| | | |
|---|---|---|
| **(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?** | No | No |
| **(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?** | No | No |
| **(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?** | No | No |
| **(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?** | No | No |
| **(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—** | | |
| **(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or** | No | No |

| | | |
|---|---|---|
| **(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or** | No | No |
| **(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or** | No | No |
| **(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,** | No | No |
| **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?** | | |
| **(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?** | No | No |

The directors present their statement to the members together with the audited financial statements of MindChamps PreSchool Limited (the "Company") and its subsidiary corporations (collectively the "Group") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025.

**1. Opinion of the directors**

In the opinion of the directors,

(a) the financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, based on the going concern assumptions set out in Note 2.1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**2. Directors**

The directors of the Company in office at the date of this statement are as follows:

David Chiem Phu An
Catherine Du
Dr Roger Neil Sexton AM
Prof Petrina Sue Coventry
Teo Ser Luck (Appointed on 14 August 2025)
Lee Suan Hiang (Stepped down on 14 August 2025)

**3. Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of the objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

**4. Directors' interests in shares or debentures**

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Group under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

| | **Number of Ordinary Shares** | | | |
|---|---|---|---|---|
| | **Direct Interest** | | **Deemed interest** | |
| | **At 31.12.2025** | **At 31.12.2024** | **At 31.12.2025** | **At 31.12.2024** |
| The Company | | | | |
| David Chiem Phu An | – | – | 127,141,341(1) | 126,806,441(1) |
| Catherine Du | – | – | 126,606,441(2) | 126,606,441(2) |

The directors' interests in the shares of the Company on 21 January 2026 were the same as at 31 December 2025.

*(1) Mr David Chiem Phu An holds 35.77% of the issued ordinary shares of Champion Minds Pte. Limited ("Champion Minds"), which in turn wholly-owns MindChamps Holdings Pte. Limited ("MCH"). Accordingly, by virtue of Section 7 of the Companies Act 1967 of Singapore, Mr Chiem is deemed to be interested in the shares of the Company ("Shares") held by MCH. Mr Chiem also holds 2,245,428 Shares through DBS Nominees (Private) Limited as at 31 December 2025.*

*(2) Ms Catherine Du holds 35.77% of the issued ordinary shares of Champion Minds, which in turn wholly-owns MCH. Accordingly, by virtue of Section 7 of the Companies Act 1967 of Singapore, Ms Du is deemed to be interested in the Shares held by MCH. Ms Du also holds 1,710,528 Shares through Citibank Nominees Singapore Pte. Ltd. as at 31 December 2025.*

**4. Directors' interests in shares or debentures** (Continued)

David Chiem Phu An and Catherine Du, by virtue of his/her interest of not less than 20% of the issued capital of the Company, are deemed to have an interest in the whole of the share capital of the Group's wholly owned subsidiary corporations and, in the shares held by the Group in the following subsidiary corporations that are not wholly-owned by the Group:

| | Number of Ordinary Shares | |
|---|---|---|
| | At 31.12.2025 | At 31.12.2024 |
| MindChamps Shanghai Pte. Limited | 120 | 120 |
| MindChamps Music Pte. Limited | 160 | 160 |
| MindChamps Academie of Stars Pte. Limited | 70 | 70 |
| MindChamps PreSchool @ Changi Airport Pte. Ltd. | 1,600,400 | 1,600,400 |
| MindChamps SA Pty Ltd | 90 | 90 |

**5. Share plans**

On 9 November 2017, the shareholders approved two share-based incentive plans, namely the MindChamps PreSchool Share Option Plan (the "SOP") and the MindChamps PreSchool Performance Share Plan (the "PSP" and together with the SOP, the "Share Plans"). On 30 April 2025, the PSP and SOP were renewed during the Annual General Meeting for the financial year ended 31 December 2024.

The Share Plans are share incentive schemes under the administration of the Remuneration Committee. The purpose of the Share Plans is to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to outstanding employees and directors of the Group who have contributed to the growth of the Group. The Share Plans will give participants an opportunity to have a personal equity interest in the Company and will help to achieve the following positive objectives:

(a) to motivate the participant to optimise his/her performance standards and efficiency and to maintain a high level of contribution to the Group;

(b) to retain key executives and executive directors of the Group whose contributions are essential to the long-term growth and profitability of the Group;

(c) to instil loyalty to, and a stronger identification by employees with the long-term prosperity of, the Group;

(d) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders; and

(e) to align the interests of employees with the interests of the shareholders.

During the financial year, there were:

(i) no options granted under the SOP to subscribe for unissued shares of the Group or its subsidiary corporations; and

(ii) no shares issued under the Share Plans to take up unissued shares of the Group or its subsidiary corporations.

As at the end of the financial year, there were no unissued shares of the Group or its subsidiary corporations under the Share Plans.

## 6. Audit committee

The members of the Audit Committee during the financial year and at the date of this statement are as follows:

Dr Roger Neil Sexton AM (Chairman)
Prof Petrina Sue Coventry
Teo Ser Luck (Appointed on 14 August 2025)
Lee Suan Hiang (Stepped down on 14 August 2025)

All members of the Audit Committee are independent directors.

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Act, the Singapore Exchange (SGX) Listing Manual and the Code of Corporate Governance.

Its function includes:

- assisting the Board in fulfilling its responsibility for overseeing the integrity of the Group's system of accounting and financial reporting and in maintaining a high standard of transparency and reliability in its corporate disclosures;
- reviewing and recommending to the Board financial statements and any significant financial reporting issues and judgments to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance;
- reviewing and reporting to the Board, at least annually, the adequacy and effectiveness of the Group's internal control systems, including financial, operational, compliance and information technology controls, and risk management policies and systems;
- reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
- reviewing accounting policies;
- reviewing the adequacy, effectiveness, independence, objectivity, scope and results of the external audit and the Group's internal audit function, their audit plans and the assistance given by Management to the auditors;
- approving the hiring, removal, evaluation and compensation of the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- making recommendations to the Board on the proposals to shareholders on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing any interested person transactions as defined in the Listing Manual;
- reviewing and resolving all conflicts of interest matters referred to it;
- reviewing any actual or potential conflicts of interest that may involve the Directors as disclosed by them to the Board, exercising Directors' fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interest by a Director, the Audit Committee will consider whether a conflict of interest does in fact exist. A Director who is a member of the Audit Committee will not participate in any proceedings of the Audit Committee in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as the Audit Committee may deem reasonably necessary;

**6. Audit committee** (Continued)

Its function includes: (Continued)

- reviewing and assessing from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with the Company's controlling shareholders and propose, where appropriate, the relevant measures for the management of such conflicts;

- reviewing any potential conflicts of interest (including any potential conflicts of interest that may arise with respect to the granting of franchise licences to third parties); and

- reviewing the report to be submitted at the end of each quarter, on rejected applicants for franchise licences.

Apart from the duties listed above, the Audit Committee reviews the Company's policy and arrangements for employees and any other persons to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Audit Committee will ensure that these arrangements allow such concerns to be raised and independently investigated, and that proportionate and independent investigation of such matters and appropriate follow-up action be taken.

The Audit Committee has recommended to the Board that the independent auditors, Forvis Mazars LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

**7. Auditors**

The auditors, Forvis Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors,

**David Chiem Phu An**
Executive Chairman

**Catherine Du**
Director

Singapore
14 April 2026

**Report on the Audit of Financial Statements**

*Opinion*

We have audited the financial statements of MindChamps PreSchool Limited (the "Company") and its subsidiary corporations (collectively the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in *the Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA code"), as applicable to audits of financial statements of public entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Report on the Audit of Financial Statements** (Continued)

*Key Audit Matters* (Continued)

<table>
<tr><td colspan="2">Exclusive territory business sales<br>(Notes 2.3(h), 3.1(b) and 27 to the financial statements)</td></tr>
<tr><td>Key audit matter</td><td>Our audit response</td></tr>
<tr><td>During the financial year ended 31 December 2025, a subsidiary of the Group, MindChamps Australia Corporate Pty. Limited ("MCAF"), entered into an Exclusive Territory Business Sale Agreement ("Agreements") to sell the MindChamps franchising business in Victoria, Australia to MC Victoria Pty. Ltd. ("McVic"). The Group has joint control over McVic ("Joint Venture") with JAGM Capital Pty. Ltd. ("JAGM"), with each party holding 50%. There is a loss of control of the business and subsequently retaining a joint control of the business.<br><br>As at 31 December 2025, other gains recorded from the exclusive territory business sale of the preschool business amounted to $4.4 million, equivalent to approximately AU$5.2 million after including the unwinding interest of AU$0.2 million relating to the deferred consideration.<br><br>Significant judgement is involved in the determination of whether the sales constitute a sale of business. Therefore, we have identified this as a significant risk of material misstatement.</td><td>Our audit procedures included, and were not limited to, the following:<br><br>• Obtained and reviewed Agreements;<br><br>• Discussed the terms of the respective Agreements with management;<br><br>• Evaluated the appropriateness of management's assessment of the terms of the Agreements and the basis of the conclusion that the transaction represents, in substance, the sale of a business as defined in SFRS (I) 3 Business Combinations;<br><br>• Reviewed the terms and conditions of the Agreements, along with discussion with management, to assess the nature and substance of the transaction. Confirmed that the proceeds from the sales of the business are classified as other income and not as revenue under SFRS(I) 15 Revenue from Contracts with Customers; and<br><br>• Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.</td></tr>
</table>

**Report on the Audit of Financial Statements** (Continued)

*Key Audit Matters* (Continued)

<table>
<tr><th colspan="2">Goodwill impairment assessment<br>(Notes 2.9(a), 2.10(a), 3.2(a) and 15(a) to the financial statements)</th></tr>
<tr><th>Key audit matter</th><th>Our audit response</th></tr>
<tr><td>As of 31 December 2025, the Group has recognised goodwill on consolidation with a carrying amount of $68.6 million (2024: $65.5 million), which represented 52% (2024: 51%) of the Group's total assets and is significant to the Group.<br><br>SFRS(I) 1-36 Impairment of assets requires goodwill to be tested for impairment annually and whenever there is an indication that the goodwill may be impaired.<br><br>An impairment exists when the carrying value of a cash generating unit ("CGU") exceeds its recoverable amount, i.e. its value, being the higher of fair value less cost of disposal and value-in-use. The value-in-use calculation is based on a discounted cash flow model which is the expected future cash flows that the CGU in its current condition will produce, discounted to present value using an appropriate discount rate. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.<br><br>These estimates require significant judgement. Therefore, we have identified this as a key audit matter.</td><td>Our audit procedures included, and were not limited to, the following:<br><br>• Evaluated the process by which management prepared its cash flow forecasts and compared them against the latest Board approved financial budgets and management approved forecast;<br><br>• Discussed with management on their planned strategies, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and tendered contracts;<br><br>• Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's key assumptions and estimates applied in the value-in-use models, with comparison to recent performance, trend analysis, market expectations, and historical accuracy of the plans and forecasts;<br><br>• Involved our in-house valuation expert on the assessment of valuation models;<br><br>• Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash generating unit ("CGU") subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements; and<br><br>• Reviewed the completeness and appropriateness of corresponding disclosures made in the financial statements.</td></tr>
</table>

**Report on the Audit of Financial Statements** (Continued)

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

**Report on the Audit of Financial Statements** (Continued)

*Auditors' Responsibilities for the Audit of the Financial Statements* (Continued)

We also: (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significant in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Chin Chee Choon.

**FORVIS MAZARS LLP**
Public Accountants and
Chartered Accountants

Singapore
14 April 2026

| | Note | 2025<br>$'000 | 2024<br>$'000 |
|---|---|---|---|
| Revenue | 4 | 60,353 | 62,958 |
| Cost of sales | 7 | (31,602) | (32,780) |
| **Gross profit** | | 28,751 | 30,178 |
| Other income | | | |
| – Interest income | | 615 | 723 |
| – Others | | 329 | 520 |
| | 5 | 944 | 1,243 |
| Other gains and losses | | | |
| – Exclusive territory business sales | 27 | 4,363 | 4,934 |
| – Gain from corporate transactions | 11(b)(c) | 2,904 | 884 |
| – Impairment loss on financial assets | 28(b) | (1,091) | (718) |
| – Other (losses)/gains, net | 6 | (307) | 199 |
| Expenses | | | |
| – Administrative | 7 | (29,472) | (31,823) |
| – Finance | 9 | (2,155) | (2,318) |
| – Marketing | 7 | (1,129) | (1,331) |
| Share of losses from associates and joint ventures | 16,17 | (691) | (700) |
| **Profit before income tax** | | 2,117 | 548 |
| Income tax expense | 10 | (46) | (311) |
| **Net profit** | | 2,071 | 237 |
| **Other comprehensive income/(loss):** | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Currency translation differences arising from consolidation – income/(loss) | | 1,240 | (4,529) |
| **Total comprehensive income/(loss)** | | 3,311 | (4,292) |
| **Profit/(Loss) attributable to:** | | | |
| Equity holders of the Company | | 2,123 | 12 |
| Non-controlling interests | | (52) | 225 |
| | | 2,071 | 237 |
| **Total comprehensive income/(loss) attributable to:** | | | |
| Equity holders of the Company | | 3,363 | (4,517) |
| Non-controlling interests | | (52) | 225 |
| | | 3,311 | (4,292) |
| **Earnings per share for net profit attributable to equity holders of the Company** | | | |
| – Basic earnings per share (cents per share) | 25 | 0.874 | 0.005 |
| – Diluted earnings per share (cents per share) | 25 | 0.874 | 0.005 |

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

| | Note | 2025<br>$'000 | 2024<br>$'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and short-term deposits | 11 | 3,862 | 4,524 |
| Trade and other receivables | 12 | 12,386 | 14,873 |
| Inventories | 13 | 473 | 444 |
| Lease receivables | 26 | 256 | 215 |
| **Total current assets** | | 16,977 | 20,056 |
| **Non-current assets** | | | |
| Property, plant and equipment | 14 | 26,744 | 25,597 |
| Intangible assets | 15 | 69,913 | 68,251 |
| Lease receivables | 26 | 893 | 1,149 |
| Trade and other receivables | 12 | 4,255 | 3,841 |
| Deferred income tax assets | 22 | 2,259 | 1,630 |
| Investments in associates | 16 | 52 | 76 |
| Investments in joint ventures | 17 | 9,662 | 8,254 |
| **Total non-current assets** | | 113,778 | 108,798 |
| **Total assets** | | 130,755 | 128,854 |
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 19 | 15,178 | 14,577 |
| Contract liabilities | 4(b) | 4,879 | 5,940 |
| Borrowings | 20 | 7,317 | 7,436 |
| Lease liabilities | 20 | 5,989 | 5,571 |
| Current income tax liabilities | | 1,110 | 494 |
| **Total current liabilities** | | 34,473 | 34,018 |
| **Non-current liabilities** | | | |
| Borrowings | 20 | 4,303 | 7,120 |
| Lease liabilities | 20 | 20,946 | 20,045 |
| Provision for reinstatement costs | 21 | 805 | 754 |
| **Total non-current liabilities** | | 26,054 | 27,919 |
| **Total liabilities** | | 60,527 | 61,937 |
| **Capital and reserves attributable to Equity holders of the Company** | | | |
| Share capital | 23 | 49,530 | 49,530 |
| Currency translation reserve | | (11,115) | (12,355) |
| Other reserves | | (1,449) | (1,449) |
| Retained profits | | 33,853 | 31,730 |
| | | 70,819 | 67,456 |
| **Non-controlling interests** | 18 | (591) | (539) |
| **Total equity** | | 70,228 | 66,917 |
| **Total liabilities and equity** | | 130,755 | 128,854 |

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

| | Note | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and short-term deposits | 11 | 2,616 | 2,320 |
| Trade and other receivables | 12 | 14,872 | 16,445 |
| Lease receivables | 26 | 769 | 645 |
| **Total current assets** | | 18,257 | 19,410 |
| **Non-current assets** | | | |
| Property, plant and equipment | 14 | 2,508 | 3,097 |
| Intangible assets | 15 | 443 | 865 |
| Lease receivables | 26 | 2,679 | 3,448 |
| Trade and other receivables | 12 | 1,734 | 1,683 |
| Deferred income tax assets | 22 | 113 | 113 |
| Investments in subsidiary corporations | 18 | 81,677 | 81,677 |
| Investments in associates | 16 | 52 | 76 |
| **Total non-current assets** | | 89,206 | 90,959 |
| **Total assets** | | 107,463 | 110,369 |
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 19 | 16,079 | 11,310 |
| Contract liabilities | 4(b) | 30 | 200 |
| Borrowings | 20 | 6,846 | 6,846 |
| Lease liabilities | 20 | 1,281 | 1,075 |
| **Total current liabilities** | | 24,236 | 19,431 |
| **Non-current liabilities** | | | |
| Borrowings | 20 | 4,303 | 6,648 |
| Lease liabilities | 20 | 4,466 | 5,747 |
| Provision for reinstatement costs | 21 | 49 | 49 |
| **Total non-current liabilities** | | 8,818 | 12,444 |
| **Total liabilities** | | 33,054 | 31,875 |
| **Equity** | | | |
| Share capital | 23 | 49,530 | 49,530 |
| Retained profits | 24 | 24,879 | 28,964 |
| **Total equity** | | 74,409 | 78,494 |
| **Total liabilities and equity** | | 107,463 | 110,369 |

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

| | | Attributable to equity holders of the Group | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Note** | **Share capital $'000** | **Currency translation reserve $'000** | **Other reserves $'000** | **Retained profits $'000** | **Total $'000** | **Non-controlling interests $'000** | **Total $'000** |
| **As at 1 January 2024** | | 49,530 | (7,913) | (950) | 31,718 | 72,385 | (250) | 72,135 |
| Total comprehensive (loss)/income for the financial year | | – | (4,529) | – | 12 | (4,517) | 225 | (4,292) |
| Divestment of a subsidiary corporation | 11(b) | – | – | – | – | – | (295) | (295) |
| Transfer of currency translation reserve upon divestment | 11(a)(b) | – | 87 | (45) | – | 42 | (42) | – |
| Acquisition from non-controlling interests | 11(a) | – | – | (454) | – | (454) | * | (454) |
| Acquisition of a subsidiary corporation | 11(a) | – | – | – | – | – | (177) | (177) |
| **As at 31 December 2024** | | 49,530 | (12,355) | (1,449) | 31,730 | 67,456 | (539) | 66,917 |
| Total comprehensive income/(loss) for the financial year | | – | 1,240 | – | 2,123 | 3,363 | (52) | 3,311 |
| **As at 31 December 2025** | | 49,530 | (11,115) | (1,449) | 33,853 | 70,819 | (591) | 70,228 |

* Less than $1,000.

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

| | Note | 2025<br>$'000 | 2024<br>$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net profit | | 2,071 | 237 |
| Adjustments for: | | | |
| – Amortisation of intangible assets | 7 | 1,698 | 2,067 |
| – Depreciation of property, plant and equipment | 7 | 6,924 | 6,875 |
| – Gain from corporate transactions | 11(b)(c) | (2,904) | (884) |
| – Gain from exclusive territory business sales | | (4,363) | (4,934) |
| – (Gain)/Loss on disposal of property, plant and equipment | | (2) | 2 |
| – Impairment of investments in a joint venture | 17 | 92 | – |
| – Impairment of financial assets | 28(b) | 1,091 | 718 |
| – Interest expense | 9 | 2,155 | 2,318 |
| – Interest income | 5 | (615) | (723) |
| – Income and deferred tax expense | 10 | 46 | 311 |
| – Share of losses of associates and joint ventures | 16,17 | 691 | 700 |
| – Unrealised currency translation losses/(gains) | | 280 | (32) |
| **Operating cash flows before movements in working capital** | | 7,164 | 6,655 |
| Change in working capital: | | | |
| – Contract liabilities | | (795) | 3,588 |
| – Inventories | | (39) | 120 |
| – Trade and other receivables | | 1,341 | 902 |
| – Trade and other payables | | 785 | (7,366) |
| **Cash generated from operations** | | 8,456 | 3,899 |
| Income tax paid | | (88) | (485) |
| **Net cash from operating activities** | | 8,368 | 3,414 |
| **Cash flows from investing activities** | | | |
| Acquisition of a subsidiary corporation, net of cash acquired | 11(a) | (2,565) | 62 |
| Additions to intangible assets | 15 | (48) | (273) |
| Additions to property, plant and equipment | 14 | (248) | (371) |
| Proceeds from disposal of property, plant and equipment | | 19 | 11 |
| Proceeds from exclusive territory business sales | | 4,363 | 4,934 |
| Proceeds from divestment of subsidiary corporations | 11(b) | – | 825 |
| Proceeds from the disposal of a preschool centre | 11(c) | 2,465 | 1,249 |
| Interest received | 5 | 115 | 376 |
| Investments in joint ventures | 17 | (2,276) | (2,835) |
| Sublease income received | 5 | 201 | 159 |
| **Net cash from investing activities** | | 2,026 | 4,137 |
| **Cash flows from financing activities** | | | |
| Interest paid for loans and leases | | (2,155) | (2,318) |
| Proceeds from short-term borrowings | | – | 500 |
| Repayments of borrowings | | (2,936) | (3,419) |
| Repayment of principal amount of lease liabilities | | (5,836) | (5,686) |
| **Net cash used in financing activities** | | (10,927) | (10,923) |
| **Net decrease in cash and cash equivalents** | | (533) | (3,372) |
| **Cash and cash equivalents** | | | |
| Beginning of the financial year | | 2,524 | 5,731 |
| Effects of currency translation on cash and cash equivalents | | (129) | 165 |
| **End of the financial year** | 11 | 1,862 | 2,524 |

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

**Reconciliation of liabilities arising from financing activities**

| | Note | Borrowings $'000 | Lease liabilities $'000 | Total $'000 |
|---|---|---|---|---|
| **As at 1 January 2024** | | 17,630 | 22,995 | 40,625 |
| Changes from financing cash flows: | | | | |
| – Repayments of borrowings | | (3,419) | – | (3,419) |
| – Drawdown of short-term borrowings | | 500 | – | 500 |
| – Repayment of the principal amount of lease liabilities | | – | (5,686) | (5,686) |
| – Interest paid | | (907) | (1,411) | (2,318) |
| Total changes from financing cash flows | | (3,826) | (7,097) | (10,923) |
| Non-cash changes: | | | | |
| – Additions during the year in relation to the office and preschool premises | 14 | – | 10,436 | 10,436 |
| – Acquisition of a subsidiary corporation | 11(a) | – | 566 | 566 |
| – Divestment of a subsidiary corporation | 11(b) | (155) | (947) | (1,102) |
| – Disposal of a preschool centre | 11(c) | – | (535) | (535) |
| – Currency translation difference | | – | (1,213) | (1,213) |
| Total non-cash changes | | (155) | 8,307 | 8,152 |
| Liabilities related to other changes: | | | | |
| – Loan transaction costs | | 31 | – | 31 |
| – Interest expense | | 876 | 1,411 | 2,287 |
| **As at 31 December 2024** | | 14,556 | 25,616 | 40,172 |
| Changes from financing cash flows: | | | | |
| – Repayments of borrowings | | (2,936) | – | (2,936) |
| – Repayment of the principal amount of lease liabilities | | – | (5,836) | (5,836) |
| – Interest paid | | (703) | (1,452) | (2,155) |
| Total changes from financing cash flows | | (3,639) | (7,288) | (10,927) |
| Non-cash changes: | | | | |
| – Additions during the year in relation to the office and preschool premises | 14 | – | 6,280 | 6,280 |
| – Acquisition of a subsidiary corporation | 11(a) | – | 1,711 | 1,711 |
| – Disposal of a preschool centre | 11(c) | – | (1,201) | (1,201) |
| – Currency translation difference | | – | 365 | 365 |
| Total non-cash changes | | – | 7,155 | 7,155 |
| Liabilities related to other changes: | | | | |
| – Interest expense | | 703 | 1,452 | 2,155 |
| **As at 31 December 2025** | | 11,620 | 26,935 | 38,555 |

*The accompanying notes form an integral part of and should be read in conjunction with these financial statements.*

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General information

MindChamps PreSchool Limited (the "Company") is incorporated, domiciled in Singapore and listed on the Singapore Exchange. The address of its registered office is 6 Raffles Boulevard, #04-100, Marina Square, Singapore 039594.

The principal activities of the Group are those relating to childcare services and investment holding. The principal activities of its subsidiary corporations are disclosed in Note 18.

The immediate holding corporation is MindChamps Holdings Pte. Limited, and the ultimate holding corporation is Champion Minds Pte. Limited, both companies are incorporated and domiciled in Singapore.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 December 2025 were authorised for issue by the Board of Directors on 14 April 2026.

## 2. Summary of material accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I)s ("SFRS(I) INTs") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ($). All financial information presented in Singapore Dollars has been rounded to the nearest thousand ($'000), unless otherwise indicated.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

*Going concern assumption*

As at 31 December 2025, the Group and the Company were in a net current liabilities position of $17.5 million and $6.0 million, respectively.

This represents the existence of conditions that may cast significant doubt about the Group's and the Company's ability to continue as a going concern. Nevertheless, the financial statements are prepared on a going concern basis, taking into consideration the following:

(a) Excluding:

(i) the Group's current contract liabilities of $4.9 million and the Company's current contract liabilities of $30 thousand (the deferred revenue for the next 12 months post statement of financial position date, which will be recognised by the business performance or earned for the same period);

(ii) the Group's and the Company's deposits received from customers of $2.1 million and $0.6 million respectively, which are not expected to be refundable within the next 12 months from the financial year end; and

(iii) the Group's and Company's current non-financial assets (inventories and prepayments) of $1.8 million and $90 thousand, respectively,

**2. Summary of material accounting policies** (Continued)

**2.1 Basis of preparation** (Continued)

*Going concern assumption* (Continued)

(a) Excluding: (Continued)

the Group and the Company would have recorded adjusted net current liabilities of $12.3 million and $5.4 million, respectively.

(b) The Board and the management have deliberated the Group's business plans and operational budgets and are of the view that the Group is able to generate net cash inflows at least for the next twelve months from the date of the financial statements.

*SFRS(I)s and SFRS(I)s INT issued and effective*

In the current financial year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2025.

The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in changes to the Group's and the Company's accounting policies and had no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

*SFRS(I)s and SFRS(I)s INT issued but not yet effective*

At the date of authorisation of these statements, the following SFRS(I) and SFRS(I) INT that are relevant to the Group were issued but not yet effective:

| **SFRS(I)** | **Title** | **Effective date (annual periods beginning on or after)** |
|---|---|---|
| SFRS(I) 9, SFRS(I) 7 | Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Various | Annual improvements to SFRS(I)s – Volume 11 | 1 January 2026 |
| SFRS(I) 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| SFRS(I) 9, SFRS(I) 7 | Amendments to SFRS(I) 9 and SFRS(I) 7: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| SFRS(I) 10, SFRS(I) 1-28 | Amendments to SFRS(I) 10 and SFRS(I) 1-28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

## 2. **Summary of material accounting policies** (Continued)

### 2.1 **Basis of preparation** (Continued)

*SFRS(I)s and SFRS(I)s INT issued but not yet effective* (Continued)

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards, with the exception of SFRS(I) 18 Presentation and Disclosure in Financial Statements, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

SFRS(I) 18, effective for annual periods beginning on or after 1 January 2027, replaces SFRS(I) 1-1 Presentation of Financial Statements and introduces new requirements for presentation and disclosure in financial statements. SFRS(I) 18 mandates a new structure for the statement of profit or loss and also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. As a consequential result of SFRS(I) 18 requirements, all entities are required to use the operating profit subtotal, instead of profit or loss, as the starting point for presenting operating cash flows under the indirect method. The classification of cash flows from dividends and interests in either operating, investing or financing cash flows is also fixed.

SFRS(I) 18 will apply retrospectively. The Group is still in the process of assessing the corresponding impact on the primary financial statements and notes to the financial statements.

### 2.2 **Group accounting**

*(a) Subsidiary corporations*

(i) Consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

**2. Summary of material accounting policies** (Continued)

**2.2 Group accounting** (Continued)

*(a) Subsidiary corporations* (Continued)

(i) Consolidation (Continued)

Non-controlling interests comprise of the portion of the subsidiary corporation's net results of operations and its net assets, which are attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

Investments in subsidiary corporations are carried at cost less any accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously held equity interest in the acquiree over (b) the fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill. Please refer to Note 2.9(a) for the subsequent accounting policy on goodwill.

If those amounts are less than the fair value of the identifiable net assets of the subsidiary corporation acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a gain from bargain purchases.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income shall be recognised on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

**2. Summary of material accounting policies** (Continued)

**2.2 Group accounting** (Continued)

*(a) Subsidiary corporations* (Continued)

(iii) Disposals

When the Group loses control over a subsidiary or business, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

The fair value of any investments retained in the former subsidiary or business at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(iv) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

*(b) Associates and joint ventures*

Associates are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements and rights to the net assets of the entities.

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

(i) Acquisitions

Investments in associates and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued, or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates and joint ventures represents the excess of the cost of acquisition of the associates or joint ventures over the Group's share of the fair value of the identifiable net assets of the associates or joint ventures and is included in the carrying amount of the investments. On acquisition of the investments, when the Group's share of the fair value of the identifiable net assets of the associates or joint ventures exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from the associates or joint ventures.

## 2. Summary of material accounting policies (Continued)

### 2.2 Group accounting (Continued)

*(b) Associates and joint ventures* (Continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of its associates' or joint ventures' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associates or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in the associates or joint ventures equal to or exceeds its interests in the associates or joint ventures, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associates or joint ventures. If the associates or joint ventures subsequently report profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group has chosen to account for downstream transactions involving assets that constitute a business, as defined in SFRS(I) 3, between an entity and its associate or joint venture via the approach to account for the full gain or loss on the same or contribution of assets on the basis of reflecting the economic substance of transactions.

(iii) Disposals

Investments in associates or joint ventures are derecognised when the Group loses significant influence or joint control. If the retained equity interests in the former associates or joint ventures are financial assets, the retained equity interests are measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

### 2.3 Revenue, income and gains recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it satisfies a performance obligation ("PO") by transferring control of promised goods or services to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. The amount of revenue presented is the amount net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

*(a) School fees*

School fees are recognised over time when the Group satisfies its PO by conducting classes for the student.

School fees received in advance are not recognised as revenue as the PO is not satisfied, and therefore, a contract liability is recognised over the period in which the classes are to be conducted, and this would represent the Group's obligation to the student as of the end of the financial year.

*(b) Royalty fee*

Royalty fee is recognised over time in accordance with the substance of the franchise agreement for the continuing use of rights and curriculum granted to the franchisee. The royalty fee is calculated at a fixed percentage of the franchisee's revenue that occurs and is invoiced on a monthly basis.

**2. Summary of material accounting policies** (Continued)

**2.3 Revenue, income and gains recognition** (Continued)

*(c) Franchise income*

(i) Unit franchise licences

Franchise income generated from unit franchise licences is recognised at a point in time when the Group transfers control of the right-to-use its intellectual property and satisfies its PO by fulfilling its franchisor's obligations before the centre's opening as stated in the franchise agreement or in the event of the expiry of the unit franchise licence, which is when the franchisee fails to commence the franchise business within the stipulated period stated in the franchise agreement.

Any unfulfilled PO for which the Group receives consideration in advance is recognised as a contract liability.

(ii) Master franchise licences

Exclusive right to operate the MindChamps franchise model in a territory is granted to a master franchisee upon execution of the master franchise agreement, prohibiting the Group or any other party from entering such territory. As such, franchise income is recognised as revenue at a point in time upon the execution of the master franchise agreement, as the exclusive right is granted to a master franchisee and the Group transfers control of the right to use its intellectual property to the franchisee. This revenue recognition is independent of the number of unit franchise licences sold or the number of centres established in such exclusive territory, as it is the master franchisee's obligation to support the unit franchisees in such exclusive territory.

If a master franchise agreement contains an element of significant financing, the Group adjusts the transaction price with the promised consideration for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of a significant financing component when the period between the grant of exclusive rights to a master franchisee and the payment date is one year or less.

*(d) Sale of merchandise*

Revenue from the sale of merchandise is recognised at a point in time when the Group satisfies its PO by transferring the control of a promised merchandise to the customer.

*(e) Commission income*

Commission income is recognised at a point in time when the Group satisfies its PO by referring students to the customer.

## 2. Summary of material accounting policies (Continued)

### 2.3 Revenue, income and gains recognition (Continued)

*(f) Management service income*

Management service income, comprising short-term services such as key-person training and marketing support provided to franchisees, is recognised at a point in time when the related services are rendered. These services are separately chargeable, do not form part of the upfront franchise fee described in Note 2.3(c), and are accounted for as distinct performance obligations satisfied upon completion of the respective services to the franchisees.

Management service income received in advance is not recognised as revenue as the PO is not satisfied; therefore, a contract liability is recognised over the period in which the provision of service represents the Group's obligation to the customer to date.

*(g) Interest income*

Interest income is recognised using the effective interest method.

*(h) Exclusive territory business sales*

The exclusive territory business, which operates franchise services for preschoolers in a territory, is sold to a buyer upon execution of the exclusive territory business sales agreement. This constitutes a disposal of business, and the Group derecognises the assets and liabilities relating to the business, and recognises the gain or loss arising from the disposal, as well as a remeasurement gain or loss from recognising any retained interest in the business at its fair value.

Gain from the exclusive territory business sale is recognised when the contractual rights and obligations stipulated in the exclusive territory business sale agreement are fulfilled, such as the buyer obtaining full control of the business. Control is considered transferred when the buyer has the ability to direct the use of and obtain substantially all of the remaining benefits from the business.

The selling price in such a sale would be indicated in the agreement between the Group and the buyer, and this price would reflect the consideration to which the Group expects to be entitled in exchange for the sale of the business.

During the financial year ended 31 December 2025, a subsidiary of the Group, MindChamps Australia Corporate Pty. Limited ("MCAF") entered into an Exclusive Territory Business Sale Agreement to sell the MindChamps franchising business in Victoria, Australia, to MC Victoria Pty. Ltd. ("McVic") for a consideration of $4,363,000. The Group has joint control over McVic with a third party (Note 17).

During the financial year ended 31 December 2024, a subsidiary of the Group, MCAF, entered into Exclusive Territory Business Sale Agreements to sell the MindChamps franchising business in Southern Australia to MCMF South Australia Pty. Ltd. and to sell the MindChamps franchising business in Queensland, Australia to QLD MF Pty. Limited for a consideration of $1,320,000 and $3,614,000, respectively. The Group has joint control over MCMF South Australia Pty. Ltd. and QLD MF Pty. Limited ("Joint Ventures") with third parties (Note 17).

The Group recorded a remeasurement gain of $2,276,000 (2024: $2,835,000) attributable to the fair value of retained interests in the businesses and a gain on disposal of $2,087,000 (2024: $2,099,000). Both gains are recognised under other gains from exclusive territory business sales in the profit or loss.

## 2. Summary of material accounting policies (Continued)

### 2.4 Government grants

Grants from the government are recognised as receivable at their fair value when there is reasonable assurance that the grant will be received, and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income. Government grants relating to assets are deducted against the carrying amount of the assets.

Non-monetary government grant is recognised at a nominal amount.

### 2.5 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.6 Employee compensation

Employee benefits are recognised as an expense unless the cost qualifies to be capitalised as an asset.

*(a) Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

*(b) Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liabilities for unutilised annual leave as a result of services rendered by employees up to the reporting date.

### 2.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group and its subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised on taxable temporary differences except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

## 2. Summary of material accounting policies (Continued)

### 2.7 Income tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

The Group accounts for investment tax credits (for example, productivity and innovative credit), similar to accounting for other tax credits, where a deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

### 2.8 Property, plant and equipment

*(a) Measurement*

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

## 2. Summary of material accounting policies (Continued)

### 2.8 Property, plant and equipment (Continued)

*(b) Depreciation*

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

| | Useful lives |
|---|---|
| Furniture and office equipment | 3 – 10 years |
| Renovation | 5 – 10 years |
| Computer equipment | 3 years |
| Motor vehicles | 10 years |
| Office and preschool premises | Over the lease term |

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year. No depreciation is charged on development in progress as they are not yet in use at the end of the financial year. Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

*(c) Disposal*

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

### 2.9 Intangible assets

*(a) Goodwill on acquisition*

Goodwill on the acquisition of subsidiary corporations and businesses represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

*(b) Acquired trademarks, licences and copyrights*

Trademarks, licences and copyrights acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Acquired costs for trademarks and licences are amortised to profit or loss using the straight-line method over the period of contractual rights. Acquired costs for copyrights are amortised to profit or loss using the straight-line method over five years.

## 2. Summary of material accounting policies (Continued)

### 2.9 Intangible assets (Continued)

*(c) Courseware development costs*

Research costs are recognised as an expense when incurred. Costs directly attributable to the development of courseware are capitalised as intangible assets only when the technical feasibility of the project is demonstrated, and the Group has an intention and ability to complete and use the courseware. The costs, such as consulting fees and payroll-related costs of employees directly involved in the project, can be measured reliably.

Following initial recognition of the courseware development costs as intangible assets, it is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation of the intangible asset begins when development has been completed, and the asset is available for use. The courseware development costs have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of four years.

*(d) Acquired computer software licences*

Acquired computer software licences are initially capitalised at cost, which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures, including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of four years.

*(e) Acquired student base*

Student base acquired through business combination is initially capitalised at fair value at the acquisition date, representing the expected future economic benefits to the Group. Subsequently, it is carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over its estimated useful life, which corresponds to the period used to determine its fair value at acquisition.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each reporting date. The effects of any revision are recognised in profit and loss when the changes arise.

### 2.10 Impairment of non-financial assets

*(a) Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is an indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

**2. Summary of material accounting policies** (Continued)

**2.10 Impairment of non-financial assets** (Continued)

*(a) Goodwill* (Continued)

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

*(b) Intangible assets*
*Property, plant and equipment*
*Investments in subsidiary corporations, associates and joint ventures*

Intangible assets, property, plant and equipment and investments in subsidiary corporations, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If so, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

**2.11 Financial instruments**

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

*(a) Financial assets*

(i) Initial recognition and measurement

All financial assets are initially measured at fair value, plus transaction costs. The classification of the financial assets at initial recognition is subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"), which depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**2. Summary of material accounting policies** (Continued)

**2.11 Financial instruments** (Continued)

*(a) Financial assets* (Continued)

(i) Initial recognition and measurement (Continued)

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows, which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

(ii) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost include cash and cash equivalents, trade and other receivables and lease receivables.

Subsequent to initial recognition, the financial asset at amortised cost is measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(iii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and recognised in interest income.

(iv) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort, as well as past due information, when determining whether credit risk has increased significantly since initial recognition.

## 2. Summary of material accounting policies (Continued)

### 2.11 Financial instruments (Continued)

*(a) Financial assets* (Continued)

(iv) Impairment of financial assets (Continued)

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group applies the simplified approach to recognise the ECL for trade and lease receivables which is to measure the loss allowance at an amount equal to lifetime ECL. As a practical expedient, the Group uses an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions for measuring ECL.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date is recognised in profit or loss. The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 28(b).

(v) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

*(b) Financial liabilities*

(i) Initial recognition and measurement

All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or is designated as such upon initial recognition.

**2. Summary of material accounting policies** (Continued)

**2.11 Financial instruments** (Continued)

*(b) Financial liabilities* (Continued)

(ii) Other financial liabilities

*Trade and other payables*

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis in finance cost.

*Borrowings*

Interest bearing bank loans are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 2.5 above).

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

*Financial guarantee*

The Group has issued corporate guarantees to banks for bank borrowings of the Company and a former subsidiary corporation. These guarantees are financial guarantees as they require the Group to reimburse the banks if the Company or the subsidiary corporation breaches any repayment terms.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of the amount initially recognised, less cumulative amortisation in accordance with SFRS(I) 15 and the amount of expected loss allowance.

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

*(c) Offsetting of financial instruments*

Financial assets and liabilities shall be offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2. Summary of material accounting policies (Continued)

### 2.11 Financial instruments (Continued)

*(d) Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted from equity.

### 2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### 2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value. For cash subjected to restriction, an assessment is made on the economic substance of the restriction and whether it meets the definition of cash and cash equivalents.

### 2.14 Leases

*(a) When the Group is the lessee:*

At the inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangements for which the Group is the lessee, except for leases which have a lease term of 12 months or less and leases of low-value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases. For these leases, the Group recognises the lease payment as an expense on a straight-line basis over the term of the lease.

**2. Summary of material accounting policies** (Continued)

**2.14 Leases** (Continued)

*(a) When the Group is the lessee:* (Continued)

(i) Right-of-use assets

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable. Right-of-use assets are presented within "property, plant and equipment".

(ii) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments less any lease incentive receivable; and

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when:

– there is a change in the lease term due to a change in the assessment of whether it will exercise a termination, extension or purchase option; or

– there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short-term and low-value leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets. For these leases, the Group recognises the lease payment as an expense on a straight-line basis over the term of the lease.

**2. Summary of material accounting policies** (Continued)

**2.14 Leases** (Continued)

*(a) When the Group is the lessee:* (Continued)

(iv) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group recognise those lease payments in profit or loss in the periods that triggered those lease payments.

*(b) When the Group is the lessor:*

(i) Sublease

The Group leases office space under a sublease arrangement.

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from the sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contracts which contain lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

**2.15 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

Provisions for asset dismantlement, removal or restoration are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated. The Group recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration the time value of money.

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal and restoration costs are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability are recognised in profit or loss immediately.

## 2. Summary of material accounting policies (Continued)

### 2.16 Currency translation

*(a) Functional and presentation currency*

The financial statements of the Group are measured and presented in the currency of the primary economic environment in which the Group operates (its functional currency). The financial statements are presented in Singapore Dollar ("$"), which is also the functional currency of the Company.

*(b) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity instruments) and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented within "Finance expense". All other foreign exchange gains and losses impacting profit or loss are presented within "Other gains/(losses)".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

*(c) Translation of the Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

## 2. Summary of material accounting policies (Continued)

### 2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing the performance of the operating segments.

### 2.18 Share-based payment transactions

The fair value of the performance share plan granted to employees which is settled in equity is recognised as an expense with a corresponding increase in equity over the vesting period when the employees become unconditionally entitled to the shares. The fair value is determined at the grant date and is not subsequently remeasured.

### 2.19 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and for which the fair value can be reliably determined.

## 3. Critical accounting judgements and key sources of estimation uncertainties

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions about the future, that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

### 3.1 Critical judgements made in applying the Group's accounting policies

*(a) Duration of lease terms*

As at the reporting date, the Group's lease liabilities, which are measured with reference to an estimate of the lease term, amounted to $26,935,000 (2024: $25,616,000). Extension options are included in the lease term if the leases are reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension options.

## 3. Critical accounting judgements and key sources of estimation uncertainties (Continued)

### 3.1 Critical judgements made in applying the Group's accounting policies (Continued)

*(a) Duration of lease terms* (Continued)

For leases of the Group's office space and preschool premises, the following factors are considered to be most relevant:

- If the office space and preschool premises are located in strategic locations that will contribute to the continued profitability of the Group.
- Otherwise, the Group considers other factors, including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions.

The assessment of reasonably certain to exercise extension options is only revised if a significant change in circumstances occurs that is within the control of the lessee. As at the reporting date, potential future (undiscounted) cash outflows are $30,926,000 (2024: $29,174,000) in lease liabilities.

*(b) Sale of businesses*

During the financial year, the Group recognised a remeasurement gain of $2,276,000 (2024: $2,835,000) attributable to the fair value of retained interests in the businesses and a gain on disposal of $2,087,000 (2024: $2,099,000) from the sale of exclusive territory businesses to its joint venture. The control over assets and processes is transferred to the buyer at the date of completion of the respective Exclusive Territory Business Sale Agreements ("EBSA").

On completion of the transaction, the Group lost control of the business. The retained interests are accounted for as joint ventures under SFRS(I) 11 Joint Arrangements as the Group continues to exercise joint control together with its venture partners. Significant judgement is involved in determining whether the transaction constitutes a sale of a business under SFRS(I) 3 Business Combinations. Consequently, management has determined that the sale constitutes a business.

### 3.2 Key sources of estimation uncertainties

*(a) Impairment of goodwill*

The Group tests goodwill for impairment at least on an annual basis. In performing the impairment assessment of the carrying amount of goodwill, as disclosed in Note 15, the recoverable amounts of the cash-generating units ("CGUs") to which goodwill has been attributable are determined by using value-in-use ("VIU") calculations.

The VIU calculation requires management to estimate the future cash flows expected to arise from the CGUs and to apply an appropriate pre-tax discount rate in order to determine the present value of those cash flows. Significant judgement is also applied in estimating the gross margin and weighted average growth rates used in the calculation. In making these estimates, management has considered past performance and its expectations of market developments in Singapore and Australia. The specific assumptions used are disclosed in Note 15(a).

The carrying amount of goodwill as at 31 December 2025 was $68,559,000 (2024: $65,471,000). Based on the impairment assessment performed, management concluded that no impairment loss was required for the financial year ended 31 December 2025 (2024: $Nil). Management has also assessed that reasonably possible changes in key assumptions would not cause the recoverable amount of the relevant CGUs to be materially lower than their carrying amounts.

## 3. Critical accounting judgements and key sources of estimation uncertainties (Continued)

### 3.2 Key sources of estimation uncertainties (Continued)

*(b) Purchase price allocation*

On 1 February 2025, the Group's wholly owned subsidiary, MindChamps Early Learning Australia Pty. Limited ("MCELA"), completed the 100% equity interest acquisition in MindChamps Frenchs Forest Pty Ltd. ("MCFF") at a consideration of AU$3,043,000 (approximately $2,566,000). SFRS(I) 3 Business Combinations requires the Group to recognise and measure the identifiable assets (including intangible assets) acquired, the liabilities assumed and any non-controlling interest in the acquiree at their fair values at the date of acquisition. Any excess of the fair value of the consideration transferred, and the amount of the non-controlling interest in the acquiree, over the fair value of the net identifiable assets acquired is recorded as goodwill.

The Group engaged an external professional valuer to perform the purchase price allocation exercise, which involves the fair valuation of assets acquired and liabilities assumed and the identification and valuation of intangible assets. The identification of assets acquired and liabilities assumed, their measurement at fair value, and the determination of the resulting goodwill are inherently judgemental and require a significant amount of management estimation. The fair values of the identifiable assets acquired and liabilities assumed of MCFF and the resulting goodwill are disclosed in Note 11(a) and Note 15(a), respectively.

*(c) Impairment of trade receivables*

As at the reporting date, the Group's trade receivables before loss allowance amounted to $12,276,000 (2024: $13,180,000) (Note 12).

The Group uses a provision matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers for the last five years prior to the reporting date, adjusted for forward-looking factors specific to the debtors and the economic environment, which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic product growth rates of the countries. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. Notwithstanding the above, the Group evaluates separately the expected credit loss on customers in financial difficulties which are credit impaired.

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue stream. Within each revenue stream, the Group has common customers across different geographical regions and applies credit evaluations to customers. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue stream. The loss allowance on the Group's trade receivables as of the reporting date is $4,106,000 (2024: $3,590,000).

The Group's and the Company's credit risk exposure for trade receivables by different revenue streams are set out in Note 28(b).

## 3. Critical accounting judgements and key sources of estimation uncertainties (Continued)

### 3.2 Key sources of estimation uncertainties (Continued)

*(d) Impairment of non-financial assets*

Property, plant and equipment, intangible assets (other than goodwill), investments in subsidiary corporations, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

Management assesses whether there are any indications of impairment of non-financial assets by reviewing internal and external factors/sources of information, such as economic, financial, industry, business, etc., affecting the assets. Where there are mixed indicators, management will exercise its judgement to determine whether these events or circumstances indicate that the carrying amount may not be recoverable, and accordingly, the assets will be tested for impairment.

The recoverable amounts of these assets and, where applicable, the CGU, have been determined based on the higher of the fair value less costs to sell or value-in-use calculations. These calculations require the use of estimates.

As at the reporting date, management assessed whether there were any indicators of impairment for the Group's non-financial assets. Based on this assessment, an impairment loss of $92,000 (2024: $Nil) was recognised on the investments in the joint venture, as its carrying amount exceeded its recoverable amount. For the remaining non-financial assets, management concluded that there were no impairment indicators and accordingly no further impairment assessment was required.

The carrying amounts of the property, plant and equipment, intangible assets (other than goodwill), investments in subsidiary corporations, associates and joint ventures are disclosed in Notes 14, 15, 16, 17 and 18, respectively, to the financial statements.

*(e) Depreciation of property, plant and equipment*

The Group depreciates property, plant and equipment over their estimated useful lives after taking into account their estimated residual values. The estimated useful lives reflect management's estimate of the period that the Group intends to derive future economic benefits from the use of the property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already aged and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequently impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment at the reporting date were $26,744,000 (2024: $25,597,000) and $2,508,000 (2024: $3,097,000) respectively.

## 4. Revenue

### *(a) Disaggregation of revenue*

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major revenue streams and geographical regions. Revenue is attributed to countries by the source of revenue generation.

| | Group | | |
|---|---|---|---|
| | **At a point in time $'000** | **Over time $'000** | **Total $'000** |
| **2025** | | | |
| **Singapore** | | | |
| – School fees | – | 3,819 | 3,819 |
| – Royalty fees | – | 9,514 | 9,514 |
| – Franchise income | 860 | – | 860 |
| – Sale of merchandise | 1,518 | – | 1,518 |
| – Management service income | 3,121 | – | 3,121 |
| – Others | 451 | – | 451 |
| | 5,950 | 13,333 | 19,283 |
| **Australia** | | | |
| – School fees | – | 39,528 | 39,528 |
| – Royalty fees | – | 87 | 87 |
| – Franchise income | 1,356 | – | 1,356 |
| – Sale of merchandise | 4 | – | 4 |
| – Management service income | 42 | – | 42 |
| – Others | 53 | – | 53 |
| | 1,455 | 39,615 | 41,070 |
| **Total** | 7,405 | 52,948 | 60,353 |
| **2024** | | | |
| **Singapore** | | | |
| – School fees | – | 6,713 | 6,713 |
| – Royalty fees | – | 9,215 | 9,215 |
| – Franchise income | 469 | – | 469 |
| – Sale of merchandise | 992 | – | 992 |
| – Management service income | 2,571 | – | 2,571 |
| – Others | 128 | – | 128 |
| | 4,160 | 15,928 | 20,088 |
| **Australia** | | | |
| – School fees | – | 41,317 | 41,317 |
| – Royalty fees | – | 488 | 488 |
| – Franchise income | 13 | – | 13 |
| – Sale of merchandise | 3 | – | 3 |
| – Management service income | 102 | – | 102 |
| – Commission income | 876 | – | 876 |
| – Others | 71 | – | 71 |
| | 1,065 | 41,805 | 42,870 |
| **Total** | 5,225 | 57,733 | 62,958 |

**4. Revenue** (Continued)

*(b) Contract liabilities*

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **2025** | **2024** | **1 January 2024** | **2025** | **2024** | **1 January 2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Current** | | | | | | |
| <u>*Contract liabilities*</u> | | | | | | |
| – School fees | 1,420 | 2,007 | 424 | – | – | – |
| – Franchise income | 2,525 | 3,813 | 1,904 | – | 200 | – |
| – Management service income | 497 | – | – | 12 | – | – |
| – Others | 437 | 120 | 17 | 18 | – | – |
| Total contract liabilities | 4,879 | 5,940 | 2,345 | 30 | 200 | – |

Contract liabilities are fees collected in advance, which the Group billed and received consideration ahead of the provision of services. The decrease in contract liabilities is mainly due to school fees and franchise income recognised as revenue upon performance obligations fulfilled.

*(i) Revenue recognised in relation to contract liabilities*

Revenue recognised in the current financial year that was included in the contract liabilities balance at the beginning of the financial year is as follows:

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| – School fees | 2,007 | 424 |
| – Franchise income | 1,544 | 273 |
| – Others | 109 | 12 |

*(ii) Unsatisfied performance obligations*

Aggregate amounts of the transaction price allocated to contracts that are partially or fully unsatisfied are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| – School fees | 1,420 | 2,007 | – | – |
| – Franchise income | 2,525 | 3,813 | – | 200 |
| – Management service income | 497 | – | 12 | – |
| – Others | 437 | 120 | 18 | – |

4. **Revenue** (Continued)

(b) *Contract liabilities* (Continued)

(ii) *Unsatisfied performance obligations* (Continued)

Management expects that the transaction price allocated to unsatisfied performance obligations as at the reporting date may be recognised as revenue in the next reporting periods as follows:

| | 2025 $'000 | 2026 $'000 | Total $'000 |
|---|---|---|---|
| *Partially and fully unsatisfied performance obligation as at:* | | | |
| **Group** | | | |
| 31 December 2025 | – | 4,879 | 4,879 |
| 31 December 2024 | 5,940 | – | 5,940 |
| **Company** | | | |
| 31 December 2025 | – | 30 | 30 |
| 31 December 2024 | 200 | – | 200 |

## 5. Other income

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| Government grants | | 329 | 520 |
| Interest income | | | |
| – bank interest | | 115 | 193 |
| – net investment in sublease | 26 | 201 | 159 |
| – late interest charges | | – | 183 |
| – accretion interest | | 299 | 188 |
| | | 615 | 723 |
| | | 944 | 1,243 |

Grant income of $49,000 (2024: $158,000) recognised during the financial year pertained to system implementation and development of skills labour by the local governments to the Group's operations in Singapore and Australia. Under these schemes, the Group has received cash grants to support employees in developing new skills.

The Group recognised interest income from accretion arising from the unwinding of the discount on the deferred consideration receivable of EBSA.

## 6. Other (losses)/gains, net

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| Currency exchange losses – net | | (285) | (34) |
| Impairment of investments in a joint venture | 17 | (92) | – |
| Other gains | | 70 | 233 |
| | | (307) | 199 |

## 7. Expenses by nature

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| Advertising and marketing | | 1,129 | 1,331 |
| Amortisation of intangible assets | 15(g) | 1,698 | 2,067 |
| Change in inventories | | (29) | 127 |
| Cleaning expenses | | 878 | 1,010 |
| Commission | | 609 | 125 |
| Depreciation of property, plant and equipment | 14 | 6,924 | 6,875 |
| Employee compensation | 8 | 40,534 | 43,224 |
| Event and excursion expenses | | 400 | 227 |
| Insurance | | 1,511 | 1,387 |
| Professional fees | | 1,755 | 2,422 |
| Purchase of merchandise | | 1,180 | 744 |
| Rental of office equipment | 26(c) | 63 | 71 |
| Rental of premises | 26(c) | 797 | 552 |
| Repair and maintenance | | 822 | 956 |
| Student welfare | | 1,429 | 1,672 |
| Telecommunication | | 133 | 182 |
| Training | | 256 | 366 |
| Travel expenses | | 333 | 539 |
| Utilities | | 256 | 269 |
| Others | | 1,525 | 1,788 |
| **Total cost of sales, administrative expenses, and marketing expenses** | | 62,203 | 65,934 |

## 8. Employee compensation

| | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|
| Wages and salaries | 31,335 | 33,843 |
| Employer's contribution to defined contribution plans including Central Provident Fund ("CPF") | 3,616 | 3,724 |
| Employee benefits | 4,990 | 4,565 |
| Associate trainer fees | 593 | 1,092 |
| | 40,534 | 43,224 |

## 9. Finance expenses

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| Interest expenses: | | | |
| – Lease liabilities | 26(b) | 1,452 | 1,411 |
| – Term loans | | 602 | 823 |
| – Others | | 101 | 53 |
| | | 2,155 | 2,287 |
| Amortisation of transaction cost | | – | 31 |
| | | 2,155 | 2,318 |

## 10. Income and deferred tax expense

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| Tax expense/(credit) attributable to profit is made up of: | | | |
| Profit for the financial year | | | |
| *Current income tax:* | | | |
| – Singapore | | 33 | 38 |
| – Australia | | 451 | 365 |
| | | 484 | 403 |
| *Deferred income tax* | 22 | 4 | (70) |
| | | 488 | 333 |
| Under/(Over) provision in prior financial years | | | |
| *Current income tax:* | | | |
| – Singapore | | – | (22) |
| – Australia | | 220 | – |
| | | 220 | (22) |
| *Deferred income tax* | 22 | (662) | - |
| | | (442) | (22) |
| Tax expenses | | 46 | 311 |

The income tax expense on the Group's profit before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| Profit before income tax | | 2,117 | 548 |
| Less: Share of losses of associates and joint ventures | 16,17 | 691 | 700 |
| Profit before income tax and share of losses of associates and joint ventures | | 2,808 | 1,248 |
| Tax calculated at a tax rate of 17% (2024: 17%) | | 477 | 212 |
| Effects of: | | | |
| – expenses not deductible for tax purposes | | 889 | 801 |
| – different tax rates in other countries | | (59) | 250 |
| – deferred tax assets not recognised | | – | 25 |
| – group relief | | 1 | – |
| – utilisation of previously unrecognised deferred tax assets | | (55) | (151) |
| – tax incentives | | (45) | – |
| – income not subject to tax | | (754) | (842) |
| – withholding tax | | 34 | 38 |
| – over-provision in prior financial years | | (442) | (22) |
| Tax expense | | 46 | 311 |

Subject to agreement with the tax authorities, the Group has unutilised tax losses and capital allowances amounting to $6,963,000 and $10,165,000 (2024: $7,247,000 and $10,207,000) respectively at the reporting date which can be carried forward for offsetting against future taxable income subject to compliance with the provisions of the Income Tax Act of Singapore and the Income Tax Assessment Act of Australia and meeting certain statutory requirements in Singapore and Australia. These unutilised tax losses and capital allowances have no expiry date.

## 11. Cash and short-term deposits

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| Cash at banks | 1,648 | 2,334 | 616 | 318 |
| Short-term bank deposits | 2,000 | 2,000 | 2,000 | 2,000 |
| Cash in hand | 214 | 190 | – | 2 |
| | 3,862 | 4,524 | 2,616 | 2,320 |

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| Cash at banks | 3,862 | 4,524 |
| Less: | | |
| Fixed deposit pledged[(a)] | (2,000) | (2,000) |
| Cash and cash equivalents per consolidated statement of cash flows | 1,862 | 2,524 |

(a) A fixed deposit of $2 million is placed as collateral for loan facilities. There is no other restricted cash.

*(a)* *Acquisitions*

**31 December 2025**

(i) Acquisition of a subsidiary corporation – MindChamps Frenchs Forest Pty. Ltd. ("MCFF")

On 14 May 2024, the Group's wholly owned subsidiary, MCELA, entered into a legally binding and enforceable term sheet with Dream Big Education Pty Ltd ("Dream Big"), where MCELA will acquire the business and assets of MindChamps Early Learning & PreSchool @ Frenchs Forest ("FFR"), a preschool centre wholly owned and operated by Dream Big.

On 22 November 2024, MCELA formalised the acquisition through a Share Purchase Agreement, with a total adjusted consideration of AU$3,044,000 (approximately S$2,566,000). MCELA assumed operational control of MCFF on 1 February 2025, and the transaction was completed on 1 February 2025. The principal activity of MCFF is the provision of childcare, education and learning related services for preschool children.

**11. Cash and short-term deposits** (Continued)

*(a)* Acquisitions (Continued)

**31 December 2025** (Continued)

(i) Acquisition of a subsidiary corporation – MindChamps Frenchs Forest Pty. Ltd. ("MCFF") (Continued)

The effects of the acquisition on the cash flows of the Group were as follows:

| | Note | MCFF $'000 |
|---|---|---|
| **Fair value of identifiable assets acquired and liabilities assumed as at the date of acquisition:** | | |
| Cash and cash equivalents | | 1 |
| Property, plant and equipment | 14 | 2,331 |
| Intangible assets | 15 | 223 |
| Total assets | | 2,555 |
| Trade and other payables | | 78 |
| Contract liabilities | | 30 |
| Lease liabilities | | 1,711 |
| Provision for reinstatement costs | 21 | 41 |
| Deferred tax liabilities | 22 | 67 |
| Total liabilities | | 1,927 |
| **Total identifiable net assets at fair value** | | **628** |
| Goodwill | 15(a) | 1,938 |
| **Fair value of consideration for all interests acquired** | | **2,566** |
| Less: cash and cash equivalents in the subsidiary corporation acquired | | (1) |
| **Net cash outflow on acquisition** | | **2,565** |

No acquisition related cost was incurred, as due diligence was conducted internally.

The fair value of plant and equipment was $2,331,000. The fair value was determined based on the depreciated replacement cost and reflects adjustments for physical deterioration as well as functional and economic obsolescence.

The fair value of intangible assets was $223,000. The fair value was determined based on the estimated income from the student base, less the estimated cost of student transfer.

The fair value of trade and other payables was $78,000. The gross contractual amount for trade and other payables due was $78,000, and at the acquisition date, the entire contractual amount was expected to be settled.

Contract liabilities refer to school fees collected in advance ahead of the provision of services. Lease liabilities represent obligations for leasing preschool premises, while provision for reinstatement costs represents an obligation to reinstate the leased premises to its original condition upon termination.

The deferred tax liabilities were $67,000 arising from the temporary differences in amortisation of intangible assets.

Goodwill recognised for MCFF of $1,938,000 arising from the acquisition was attributable to the synergies of the business combination by leveraging MCFF's business to maximise occupancy rates in MindChamps Preschool businesses. It is not deductible for tax purposes.

**11. Cash and short-term deposits** (Continued)

*(a)* Acquisitions (Continued)

**31 December 2025** (Continued)

(i) Acquisition of a subsidiary corporation – MindChamps Frenchs Forest Pty. Ltd. ("MCFF") (Continued)

The acquired subsidiary corporation contributed revenue of $2,302,000 and a net profit of $75,000 to the Group for the financial year ended 31 December 2025.

Had MCFF been acquired on 1 January 2025, there would have been no significant impact on the consolidated revenue and consolidated net profit of the Group for the financial year ended 31 December 2025.

**31 December 2024**

(i) Acquisition of MindChamps PreSchool @ Changi Airport Pte. Ltd.

On 3 July 2024, the Group's wholly owned subsidiary corporation, MindChamps PreSchool Singapore Pte. Ltd., exercised its rights to convert 1,200,400 units of Class A preference shares in MindChamps PreSchool @ Changi Airport Pte. Ltd. ("CT3") into ordinary shares. Subsequent to the conversion, CT3 ceased to be a joint venture and became an 80% owned subsidiary. The principal activity of CT3 is the provision of childcare, education and learning related services for preschool children.

The effects of the acquisition on the cash flows of the Group were as follows:

| | Note | CT3 $'000 |
|---|---|---|
| **Fair value of identifiable assets acquired, and liabilities assumed as at the date of acquisition:** | | |
| Cash and cash equivalents | | 62 |
| Property, plant and equipment | 14 | 553 |
| Trade and other receivables | | 310 |
| Inventories | | 1 |
| Total assets | | 926 |
| Trade and other payables | | 1,086 |
| Contract liabilities | | 150 |
| Lease liabilities | | 566 |
| Provision for reinstatement costs | 21 | 12 |
| Total liabilities | | 1,814 |
| **Total identifiable net liabilities at fair value** | | **(888)** |
| Non-controlling interests | | 177 |
| Goodwill | 15(a) | 711 |
| Fair value of interests held previously | | * |
| **Fair value of consideration for all interests acquired** | | **–** |
| Add: cash and cash equivalents in the subsidiary corporation acquired | | 62 |
| **Net cash inflow on acquisition** | | **62** |

* Less than $1,000.

No acquisition related cost was incurred, as due diligence was conducted internally.

The fair value of plant and equipment was $553,000. The fair value was determined based on the depreciated replacement cost and reflects adjustments for physical deterioration as well as functional and economic obsolescence.

**11. Cash and short-term deposits** (Continued)

*(a)* *Acquisitions* (Continued)

**31 December 2024** (Continued)

(i) Acquisition of MindChamps PreSchool @ Changi Airport Pte. Ltd. (Continued)

The fair value of trade and other receivables was $310,000. The gross contractual amount for trade and other receivables due was $310,000, and at the acquisition date, the entire contractual amount was expected to be collectable.

The fair value of trade and other payables was $1,086,000. The gross contractual amount for trade and other payables due was $1,086,000, and at the acquisition date, the entire contractual amount was expected to be settled.

Contract liabilities refer to school fees collected in advance ahead of the provision of services. Lease liabilities represent obligations for leasing preschool premises, while provision for reinstatement costs represents an obligation to reinstate the leased premises to its original condition upon termination.

The Group recognised 20% non-controlling interests in CT3 at the date of acquisition, at its proportionate share of CT3's identifiable net liabilities of $177,000.

Goodwill recognised for CT3 of $711,000 arising from the acquisition was attributable to the synergies of the business combination by leveraging CT3's business to maximise occupancy rates in MindChamps Preschool businesses. It is not deductible for tax purposes.

The acquired subsidiary corporation contributed revenue of $145,000 and a net profit of $638,000 to the Group for the financial year ended 31 December 2024. The contribution to net profits mainly arises from the disposal of the preschool centre as disclosed in Note 11(c).

Had CT3 been acquired from 1 January 2024, there would be no significant impact on the consolidated revenue and consolidated net profit for the financial year ended 31 December 2024.

(ii) Acquisition of additional interests in ELMSS Pty Ltd

On 30 September 2024, the Group's wholly owned subsidiary corporation, MCELA, entered into a Share Swap Agreement with the non-controlling interest ("NCI") of The Enrolment Hub Pty Ltd ("TEH") to transfer MCELA's 51% equity interest in TEH to NCI in exchange for the NCI of ELMSS Pty Ltd ("ELMSS"). As a result, the Group acquired fully the remaining 20% equity interest in ELMSS. The change in the Group's interest in ELMSS does not result in a loss of control. The principal activity of ELMSS is investment holding and technology development.

Other reserves of $499,000 arising from the difference between the carrying amount of the non-controlling interests and the fair value of the consideration paid recognised within equity attributable to the equity holders of the Company. This was attributable to the transaction with non-controlling interests that did not result in a change of control over ELMSS.

## 11. Cash and short-term deposits (Continued)

*(b)* *Divestments*

**31 December 2024**

(i) On 30 September 2024, the Group's wholly owned subsidiary corporation, MCELA, entered into a Share Swap Agreement to transfer its 51% equity interest in TEH in exchange for an additional 20% of ELMSS. As a result, the Group fully divested its equity interest in TEH.

(ii) The Group divested 100% of its equity interest in its wholly owned subsidiary corporation, MindChamps PreSchool @ Woodlands Pte. Ltd. ("WDL") on 31 December 2024.

The effects of the divestments on the cash flows of the Group were as follows:

| | Note | TEH $'000 | WDL $'000 | Total $'000 |
|---|---|---|---|---|
| **Carrying amounts of assets and liabilities as at the date of divestments:** | | | | |
| Cash and cash equivalents | | 462 | 13 | 475 |
| Property, plant and equipment | 14 | – | 1,029 | 1,029 |
| Trade and other receivables | | 491 | 417 | 908 |
| Intangible assets | 15 | – | 200 | 200 |
| Goodwill | 15(a) | 148 | 1,262 | 1,410 |
| Inventories | | – | 7 | 7 |
| Deferred tax assets | | – | 5 | 5 |
| Total assets | | 1,101 | 2,933 | 4,034 |
| Trade and other payables | | 301 | 388 | 689 |
| Contract liabilities | | – | 119 | 119 |
| Current income tax liabilities | | 51 | 3 | 54 |
| Lease liabilities | | – | 947 | 947 |
| Borrowings | | – | 155 | 155 |
| Provision for reinstatement costs | | – | 59 | 59 |
| Total liabilities | | 352 | 1,671 | 2,023 |
| **Net assets divested off** | | **749** | **1,262** | **2,011** |
| Currency translation reserve | | 87 | – | 87 |
| Less: Net assets of NCI divested | | (337) | – | (337) |
| Total net assets divested off | | 499 | 1,262 | 1,761 |
| Fair value of investment divested^ | | (499) | – | (499) |
| **Gain on divestments** | | **–** | **213** | **213** |
| Proceeds from divestments | | – | 1,475 | 1,475 |
| Less: Cash and cash equivalents in subsidiary corporations divested off | | (462) | (13) | (475) |
| Less: Deferred considerations* | | – | (175) | (175) |
| **Net cash (outflow)/inflow on divestments** | | **(462)** | **1,287** | **825** |

^ Fair value of investment divested to share swap for an additional 20% of ELMSS (Note 11(a)).

* Deferred considerations are expected to be payable within three years from the completion date.

**11. Cash and short-term deposits** (Continued)

*(c)* *Disposal of preschool centres*

**31 December 2025**

On 30 June 2025, the Group's subsidiary corporation, MindChamps PreSchool @ BGK Pte. Ltd. ("BGK"), entered into a Business and Asset Sale Agreement with MindChamps PS @ Buangkok Pte. Limited to dispose off the preschool centre for a total consideration of $2,465,000. The transaction was completed on 30 June 2025.

The effects of the disposal on the cash flows of the Group were as follows:

| | Note | BGK $'000 |
|---|---|---|
| **Carrying amounts of assets and liabilities as at the date of disposal:** | | |
| Property, plant and equipment | 14 | 1,147 |
| Trade and other receivables | | 156 |
| Inventories | | 10 |
| Total assets | | 1,313 |
| Trade and other payables | | 256 |
| Contract liabilities | | 295 |
| Lease liabilities | | 1,201 |
| Total liabilities | | 1,752 |
| **Net liabilities disposed off** | | **(439)** |
| **Gain on disposal** | | **2,904** |
| **Proceed from disposal/Net cash inflow on disposal** | | **2,465** |

**31 December 2024**

On 19 July 2024, the Group's subsidiary corporation CT3 entered into a Business and Asset Sale Agreement with House of Wisdom ("HOW") to dispose off the business of the preschool centre for a total consideration of $1,250,000. The transaction was completed on 31 July 2024.

The effects of the disposal on the cash flows of the Group were as follows:

| | Note | CT3 $'000 |
|---|---|---|
| **Carrying amounts of assets and liabilities as at the date of disposal:** | | |
| Cash and cash equivalents | | 1 |
| Property, plant and equipment | 14 | 544 |
| Goodwill | 15(a) | 711 |
| Inventories | | 1 |
| Total assets | | 1,257 |
| Trade and other payables | | 107 |
| Contract liabilities | | 24 |
| Lease liabilities | | 535 |
| Provision for reinstatement costs | 21 | 12 |
| Total liabilities | | 678 |
| **Net assets disposed off** | | **579** |
| **Gain on disposal** | | **671** |
| Proceeds on disposal | | 1,250 |
| Less: Cash and cash equivalents in the preschool centre disposed off | | (1) |
| **Net cash inflow on disposal** | | **1,249** |

## 12. Trade and other receivables

| | Note | Group 2025 $'000 | Group 2024 $'000 | Company 2025 $'000 | Company 2024 $'000 |
|---|---|---|---|---|---|
| Current | | | | | |
| Trade receivables | | | | | |
| – Non-related parties | | 5,470 | 8,218 | 2,973 | 3,920 |
| – Related parties | | 2,551 | 1,121 | 666 | 844 |
| | | 8,021 | 9,339 | 3,639 | 4,764 |
| Less: Loss allowance | | | | | |
| – Non-related parties | | (3,790) | (3,274) | (2,743) | (2,662) |
| – Related parties | | (316) | (316) | (316) | (316) |
| | 28(b) | (4,106) | (3,590) | (3,059) | (2,978) |
| Trade receivables – net | | 3,915 | 5,749 | 580 | 1,786 |
| Other receivables | | | | | |
| – Non-related parties | | 2,414 | 2,486 | 740 | 903 |
| – Related parties | | 2,975 | 1,288 | 1,001 | 723 |
| – Immediate holding corporation | | 2,000 | 772 | 1,999 | 765 |
| – Subsidiary corporations | | – | – | 10,589 | 12,287 |
| | | 7,389 | 4,546 | 14,329 | 14,678 |
| Less: Loss allowance | | | | | |
| – Non-related parties | | (1,447) | (851) | – | (14) |
| – Related parties | | (147) | (137) | (147) | (137) |
| | 28(b) | (1,594) | (988) | (147) | (151) |
| Other receivables – net | | 5,795 | 3,558 | 14,182 | 14,527 |
| Prepayments | | 1,344 | 1,316 | 92 | 98 |
| Deposits | | 1,332 | 4,250 | 18 | 34 |
| | | 12,386 | 14,873 | 14,872 | 16,445 |
| Non-current | | | | | |
| Trade receivables | | | | | |
| – Non-related parties | | 739 | 713 | 739 | 713 |
| – Related parties | | 3,516 | 3,128 | 995 | 970 |
| | | 4,255 | 3,841 | 1,734 | 1,683 |
| Total trade and other receivables | | 16,641 | 18,714 | 16,606 | 18,128 |

Related parties refer to the Group's associates, joint ventures and corporations which are controlled by the Group's key management personnel.

Trade receivables are non-interest bearing, and the Group generally extends credit period ranging from 7 to 30 (2024: 7 to 30) days from the date of invoice. They are recognised at the transaction price which represents their fair value on initial recognition.

## 12. Trade and other receivables (Continued)

Non-trade amounts due from immediate holding corporation, related parties and subsidiary corporations are unsecured, interest-free and receivable on demand.

The fair values of non-current trade receivables are computed based on cash flow discounted at government bond rates. The fair values are within level 2 of the fair value hierarchy.

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| *Fair value* | | | | |
| Trade receivables | 4,255 | 3,841 | 1,734 | 1,683 |

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | % | % | % | % |
| *Government bond rate* | | | | |
| Trade receivables | 2.38 – 4.30 | 2.38 – 3.95 | 2.38 – 3.64 | 2.38 – 3.64 |

## 13. Inventories

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| At cost | | |
| Finished goods – merchandise for sale | 473 | 444 |

The cost of inventories recognised as an expense and included in the "cost of sales" of the Group amounts to $1,151,000 (2024: $744,000).

## 14. Property, plant and equipment

| | Note | Office and preschool premises $'000 | Furniture and office equipment $'000 | Renovation $'000 | Computer equipment $'000 | Motor vehicles $'000 | Development in progress $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **Cost** | | | | | | | | |
| As at 1 January 2024 | | 42,262 | 3,404 | 2,874 | 835 | 197 | 834 | 50,406 |
| Additions | | 3,908 | 328 | 27 | 16 | – | – | 4,279 |
| Provision for reinstatement costs | 21 | 12 | – | – | – | – | – | 12 |
| Lease modification | | 6,528 | – | – | – | – | – | 6,528 |
| Reclassification to lease receivables | 26 | (1,294) | – | – | – | – | – | (1,294) |
| Divestment of subsidiary corporations | 11(b) | (1,955) | (143) | (234) | (24) | – | – | (2,356) |
| Acquisition of a subsidiary corporation | 11(a) | 1,427 | 80 | 795 | 43 | – | – | 2,345 |
| Disposal of a preschool centre | 11(c) | (1,427) | (81) | (815) | (43) | – | – | (2,366) |
| Disposal | | – | (3) | – | – | (22) | – | (25) |
| Write-off | | – | – | – | (5) | – | – | (5) |
| Currency translation differences | | (2,523) | (271) | (176) | (44) | (12) | (52) | (3,078) |
| As at 31 December 2024 | | 46,938 | 3,314 | 2,471 | 778 | 163 | 782 | 54,446 |
| Additions | | 6,064 | 168 | 21 | 271 | 4 | – | 6,528 |
| Acquisition of a subsidiary corporation | 11(a) | 1,752 | 164 | 565 | – | – | – | 2,481 |
| Disposal of a preschool centre | 11(c) | (1,520) | (8) | – | (1) | – | – | (1,529) |
| Disposal | | – | – | – | – | (42) | – | (42) |
| Write-off | | – | – | – | (18) | – | – | (18) |
| Currency translation differences | | 824 | 83 | 56 | 24 | 2 | 13 | 1,002 |
| As at 31 December 2025 | | 54,058 | 3,721 | 3,113 | 1,054 | 127 | 795 | 62,868 |

## 14. Property, plant and equipment (Continued)

| | Note | Office and preschool premises $'000 | Furniture and office equipment $'000 | Renovation $'000 | Computer equipment $'000 | Motor vehicles $'000 | Development in progress $'000 | Total $'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** (Continued) | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | |
| As at 1 January 2024 | | 21,142 | 2,234 | 1,041 | 627 | 102 | – | 25,146 |
| Depreciation charge | 7 | 6,020 | 419 | 344 | 74 | 18 | – | 6,875 |
| Divestment of subsidiary corporations | 11(b) | (1,040) | (116) | (147) | (24) | – | – | (1,327) |
| Acquisition of a subsidiary corporation | 11(a) | 894 | 62 | 795 | 41 | – | – | 1,792 |
| Disposal of a preschool centre | 11(c) | (924) | (62) | (795) | (41) | – | – | (1,822) |
| Disposal | | – | (1) | – | – | (11) | – | (12) |
| Write-off | | – | – | – | (5) | – | – | (5) |
| Currency translation differences | | (1,416) | (213) | (128) | (35) | (6) | – | (1,798) |
| As at 31 December 2024 | | 24,676 | 2,323 | 1,110 | 637 | 103 | – | 28,849 |
| Depreciation charge | 7 | 6,042 | 424 | 369 | 74 | 15 | – | 6,924 |
| Acquisition of a subsidiary corporation | 11(a) | – | 88 | 62 | – | – | – | 150 |
| Disposal of a preschool centre | 11(c) | (381) | (1) | – | – | – | – | (382) |
| Disposal | | – | – | – | – | (25) | – | (25) |
| Write-off | | – | – | – | (18) | – | – | (18) |
| Currency translation differences | | 495 | 70 | 39 | 20 | 2 | – | 626 |
| As at 31 December 2025 | | 30,832 | 2,904 | 1,580 | 713 | 95 | – | 36,124 |
| **Carrying amount** | | | | | | | | |
| As at 31 December 2025 | | 23,226 | 817 | 1,533 | 341 | 32 | 795 | 26,744 |
| As at 31 December 2024 | | 22,262 | 991 | 1,361 | 141 | 60 | 782 | 25,597 |

## 14. Property, plant and equipment (Continued)

| | Note | Office and preschool premises $'000 | Furniture and office equipment $'000 | Renovation $'000 | Computer equipment $'000 | Total $'000 |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| **Cost** | | | | | | |
| As at 1 January 2024 | | 1,725 | 339 | 909 | 75 | 3,048 |
| Additions | | – | 1 | – | 5 | 6 |
| Lease modification | | 6,528 | – | – | – | 6,528 |
| Reclassification to lease receivables | 26 | (3,892) | – | – | – | (3,892) |
| As at 31 December 2024 | | 4,361 | 340 | 909 | 80 | 5,690 |
| Additions | | – | 1 | 11 | 14 | 26 |
| As at 31 December 2025 | | 4,361 | 341 | 920 | 94 | 5,716 |
| **Accumulated depreciation** | | | | | | |
| As at 1 January 2024 | | 1,348 | 277 | 355 | 40 | 2,020 |
| Depreciation charge | | 451 | 13 | 91 | 18 | 573 |
| As at 31 December 2024 | | 1,799 | 290 | 446 | 58 | 2,593 |
| Depreciation charge | | 495 | 11 | 91 | 18 | 615 |
| As at 31 December 2025 | | 2,294 | 301 | 537 | 76 | 3,208 |
| **Carrying amount** | | | | | | |
| As at 31 December 2025 | | 2,067 | 40 | 383 | 18 | 2,508 |
| As at 31 December 2024 | | 2,562 | 50 | 463 | 22 | 3,097 |

Property, plant and equipment of the Group and the Company includes right-of-use assets of $23,432,000 and $2,067,000 (2024: $22,262,000 and $2,562,000) respectively, which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use assets are disclosed in Note 26(a).

During the financial year, the Group acquired property, plant and equipment and right-of-use assets with an aggregate cost of $6,528,000 (2024: $10,819,000), of which $6,280,000 (2024: $10,448,000) were acquired by means of leases. Cash payments of $248,000 (2024: $371,000) were made to purchase of property, plant and equipment.

## 15. Intangible assets

| | Note | Group 2025 $'000 | Group 2024 $'000 | Company 2025 $'000 | Company 2024 $'000 |
|---|---|---|---|---|---|
| Composition | | | | | |
| Goodwill arising on consolidation | (a) | 68,559 | 65,471 | – | – |
| Franchise licenses | (b) | – | – | – | – |
| Student base | (c) | 744 | 1,243 | – | – |
| Courseware development costs | (d) | 452 | 1,334 | 331 | 663 |
| Computer software licences | (e) | 112 | 203 | 112 | 202 |
| Copyrights | (f) | 46 | – | – | – |
| | | 69,913 | 68,251 | 443 | 865 |

## 15. Intangible assets (Continued)

*(a) Goodwill arising on consolidation*

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| **Cost** | | | |
| Beginning of the financial year | | 66,064 | 71,833 |
| Acquisition of a subsidiary corporation | 11(a) | 1,938 | 711 |
| Divestment of subsidiary corporations | 11(b) | – | (1,410) |
| Disposal of a preschool centre | 11(c) | – | (711) |
| Currency translation differences | | 1,159 | (4,359) |
| End of the financial year | | 69,161 | 66,064 |
| **Accumulated impairment** | | | |
| Beginning of the financial year | | 593 | 627 |
| Currency translation differences | | 9 | (34) |
| End of the financial year | | 602 | 593 |
| **Net book value** | | 68,559 | 65,471 |

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to each of the operating preschool centres.

The recoverable amount of a CGU was determined based on value-in-use ("VIU") or fair value less cost of disposal ("FV"). For VIU computation, cash flow projections based on financial budgets approved by management covering a five years period were used in the computation. For FV computation, comparable market data or the indicative selling price of each individual CGU will be used in assessing the CGU's recoverable amount.

The amount of goodwill allocated to each CGU is not significant in relation to the Group's total goodwill. The key assumptions applied in the VIU computation are consistent across these geographical segments. The aggregate carrying amount of goodwill allocated to these CGUs by geographical segment is as follows:

| | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|
| **Education** | | |
| Singapore | 695 | 695 |
| Australia | 67,864 | 64,776 |
| | 68,559 | 65,471 |

**15. Intangible assets** (Continued)

*(a) Goodwill arising on consolidation* (Continued)

(i) Goodwill arising from the preschool businesses – value-in-use

No impairment of goodwill was recognised for the financial year ended 31 December 2025.

*Key assumptions used for value-in-use calculations:*

| | Gross margin[1] % | Growth rate[2] % | Discount rate[3] % |
|---|---|---|---|
| **Singapore** | | | |
| – As at 31 December 2025 | 44.0 | 2.0 | 7.8 |
| – As at 31 December 2024 | 37.5 | 2.0 | 9.5 |
| **Australia** | | | |
| – As at 31 December 2025 | 39.9 – 52.2 | 3.0 | 11.8 – 12.6 |
| – As at 31 December 2024[(a)] | 37.9 – 50.4 | 2.0 | 12.3 – 13.4 |

1 *Gross margin is derived by dividing gross profit by revenue, based on past actual historical results and management's approved budgets for the five-year forecast period*

2 *Weighted average growth rate used to extrapolate cash flows beyond the budgeted period*

3 *Pre-tax discount rate applied to the pre-tax cash flow projections*

*(a) As MCEL @ Frenchs Forest was acquired on 1 February 2025, its gross margin has been excluded from the average gross margin calculation.*

Management determined budgeted gross margins based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in the industry report by countries. The discount rates used were pre-tax and reflected specific risks relating to the segment.

Impact of possible changes in key assumptions

As at 31 December 2025, management conducted sensitivity analyses on the recoverable amounts of the aggregated CGUs to which goodwill is allocated, taking into account reasonably possible changes in key assumptions. Based on the results of the impairment assessment on an aggregated basis, the recoverable amounts exceeded the carrying amounts. Accordingly, no impairment of goodwill was recognised.

*(b) Franchise licences*

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| **Cost** | | | |
| Beginning of the financial year | | – | 42 |
| Additions | | – | 200 |
| Divestment of subsidiary corporation | 11(b) | – | (242) |
| End of the financial year | | – | – |
| **Accumulated amortisation** | | | |
| Beginning of the financial year | | – | 42 |
| Divestment of subsidiary corporation | 11(b) | – | (42) |
| End of the financial year | | – | – |
| **Net book value** | | – | – |

## 15. Intangible assets (Continued)

*(c) Student base*

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| **Cost** | | | |
| Beginning of the financial year | | 1,934 | 1,934 |
| Acquisition of a subsidiary corporation | 11(a) | 223 | – |
| Currency translation differences | | 5 | – |
| End of the financial year | | 2,162 | 1,934 |
| **Accumulated amortisation** | | | |
| Beginning of the financial year | | 691 | 276 |
| Amortisation charges | | 725 | 415 |
| Currency translation differences | | 2 | – |
| End of the financial year | | 1,418 | 691 |
| **Net book value** | | 744 | 1,243 |

*(d) Courseware development costs*

| | Group 2025 $'000 | Group 2024 $'000 | Company 2025 $'000 | Company 2024 $'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| Beginning of the financial year | 7,644 | 7,689 | 5,045 | 5,045 |
| Currency translation differences | 11 | (45) | – | – |
| End of the financial year | 7,655 | 7,644 | 5,045 | 5,045 |
| **Accumulated amortisation** | | | | |
| Beginning of the financial year | 6,310 | 4,809 | 4,382 | 3,696 |
| Amortisation charge | 880 | 1,516 | 332 | 686 |
| Currency translation differences | 13 | (15) | – | – |
| End of the financial year | 7,203 | 6,310 | 4,714 | 4,382 |
| **Net book value** | 452 | 1,334 | 331 | 663 |

*(e) Computer software licenses*

| | Note | Group 2025 $'000 | Group 2024 $'000 | Company 2025 $'000 | Company 2024 $'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Beginning of the financial year | | 1,937 | 1,867 | 1,796 | 1,723 |
| Additions | | – | 73 | – | 73 |
| Divestment of subsidiary corporation | 11(b) | – | (3) | – | – |
| End of the financial year | | 1,937 | 1,937 | 1,796 | 1,796 |
| **Accumulated amortisation** | | | | | |
| Beginning of the financial year | | 1,734 | 1,613 | 1,594 | 1,471 |
| Amortisation charge | | 91 | 124 | 90 | 123 |
| Divestment of subsidiary corporation | 11(b) | – | (3) | – | – |
| End of the financial year | | 1,825 | 1,734 | 1,684 | 1,594 |
| **Net book value** | | 112 | 203 | 112 | 202 |

## 15. **Intangible assets** (Continued)

*(f) Copyrights*

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | $'000 | $'000 | $'000 | $'000 |
| **Cost** | | | | |
| Beginning of the financial year | 104 | 104 | 104 | 104 |
| Additions | 48 | – | – | – |
| End of the financial year | 152 | 104 | 104 | 104 |
| **Accumulated amortisation** | | | | |
| Beginning of the financial year | 104 | 92 | 104 | 92 |
| Amortisation charge | 2 | 12 | – | 12 |
| End of the financial year | 106 | 104 | 104 | 104 |
| **Net book value** | 46 | – | – | – |

*(g) Amortisation expenses included in the statement of comprehensive income are analysed as follows:*

| | Note | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|---|
| Administrative expenses | 7 | 1,698 | 2,067 |

## 16. **Investments in associates**

| | Group and Company | |
|---|---|---|
| | 2025 | 2024 |
| | $'000 | $'000 |
| *Equity accounting* | | |
| Beginning of the financial year | 76 | 100 |
| Addition | – | * |
| Share of losses | (24) | (24) |
| End of the financial year | 52 | 76 |

* Less than $1,000.

Set out below are details of the associates of the Group and of the Company as at reporting date:

| Name of entity | Place of business/country of incorporation | % of ownership interest Group and Company 2025 | % of ownership interest Group and Company 2024 |
|---|---|---|---|
| MindChamps (Beijing) Education Ltd. ("MCBJE")# | People's Republic of China | 49 | 49 |
| MindChamps PreSchool MYP Pte. Ltd. ("MYP")# | Singapore | 20 | 20 |
| MindFORCE Academy Pte. Limited ("MFA")^ (a) | Singapore | 30 | 30 |

\# Dormant companies not required to be audited.

^ Audited by Forvis Mazars LLP.

**16. Investments in associates** (Continued)

(a) On 8 March 2024, the Group, through its wholly owned subsidiary, Champion Mindset Academy Pte. Limited ("CMA") and a related party, MindChamps Academy Pte. Limited has entered into a share purchase agreement to jointly acquire a total of 60% of the total issued ordinary shares of MFA for a total consideration of $2. CMA acquires 30% of the ordinary shares of MFA for a total consideration of $1.

(b) There are no contingent liabilities relating to the Group's and the Company's interest in the above associates.

***Summarised financial information for material associates***

*Summarised statement of financial position*

| | MYP | | MCBJE | | MFA | |
|---|---|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Current assets | 138 | 185 | 1,900 | 1,929 | 325 | 243 |
| Current liabilities | (1,541) | (1,585) | (2,652) | (2,688) | (332) | (156) |
| Non-current assets | 1,662 | 1,781 | – | – | 2 | 3 |
| Non-current liabilities | – | – | – | – | (352) | (459) |

*Summarised statement of comprehensive income*

| | MYP | | MCBJE | | MFA | |
|---|---|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Revenue | – | – | – | – | 561 | 542 |
| Total comprehensive loss, representing net loss | (122) | (119) | (4) | (165) | 14 | (128) |

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and associates.

Reconciliation of the summarised financial information presented to the carrying amount of the Group's and of the Company's interest in the associates is as follows:

| | MYP | | MCBJE | | MFA | |
|---|---|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Post-acquisition net assets/ (liabilities) | 259 | 381 | (752) | (759) | (357) | (124) |
| Group's equity interest | 20% | 20% | 49% | 49% | 30% | 30% |
| Group's share of post-acquisition net assets/carrying amount of Group interest | 52 | 76 | – | – | * | * |

* Less than $1,000.

The Group's and the Company's share of losses in these associates is up to or equal to its interests. As such, the Group and the Company did not recognise further losses. As at the reporting date, the cumulative unrecognised losses with respect to associates were $1,376,000 (2024: $1,304,000).

## 17. Investments in joint ventures

| | Group 2025 $'000 | Group 2024 $'000 |
|---|---|---|
| *Equity accounting* | | |
| Beginning of the financial year | 8,254 | 6,238 |
| Additions | 2,276 | 2,835 |
| Transfer to subsidiary (Note 18) | – | * |
| Impairment made during the financial year (Note 6) | (92) | – |
| Share of losses | (667) | (676) |
| Currency translation differences | (109) | (143) |
| End of the financial year | 9,662 | 8,254 |

* Less than $1,000.

Set out below are the joint ventures of the Group and the Company as at the reporting date:

| Name of entity | Place of business/ country of incorporation | % of ownership interest Group 2025 % | Group 2024 % | Company 2025 % | Company 2024 % |
|---|---|---|---|---|---|
| BYR Education Pte. Ltd.[#] | Singapore | 10 | 10 | – | – |
| MindChamps Emofront Pte. Limited[^] | Singapore | 50 | 50 | 50 | 50 |
| MindChamps International PreSchool Franchising Inc ("MCIPF")* | USA | 50 | 50 | – | – |
| WAMF Pty Ltd ("WAMF")[~] | Australia | 50 | 50 | – | – |
| MCMF South Australia Pty Ltd ("SAMF")[~(a)] | Australia | 45 | 45 | – | – |
| QLD MF Pty Ltd ("QAMF")[~(b)] | Australia | 50 | 50 | – | – |
| MC Victoria Pty. Ltd. ("McVic")[~(c)] | Australia | 50 | – | – | – |
| MindChamps-First Capital PreSchool China Capital Management Limited[#] | Cayman Islands | 50 | 50 | – | – |

\# Dormant companies not required to be audited.
^ Struck off on 24 January 2026.
* Audited by Citrin Cooperman & Company LLP.
~ Audited by K.S. Black & Co.

(a) On 17 January 2024, the Group entered into a joint venture agreement with Holywell Pty Ltd ("Hollywell") through its newly incorporated subsidiary MindChamps SA Pty Ltd ("MCSA") to incorporate a joint venture company, MCMF South Australia Pty Ltd ("SAMF"). The total issued capital of SAMF is AU$1,500,000, of which MCSA holds 50%, and Hollywell holds 50%. MCSA acquired 750,000 ordinary shares in SAMF for a total consideration of AU$750,000 (approximately $675,000). The principal activity of SAMF is the franchising of MindChamps Early Learning & PreSchool centres in South Australia.

(b) On 27 June 2024, the Group, through its wholly owned subsidiary corporation, MCELA and together with Lynswag Pty. Limited ("Lynswag") have incorporated a joint venture company, QLD MF Pty Ltd ("QAMF") in Australia. The total issued capital of QAMF is AU$4,800,000, of which the Group holds 50%, and Lynswag holds 50% of the paid-up share capital, respectively. The Group's subsidiary corporation acquired 24,000 ordinary shares in QAMF for a total consideration of AU$2,400,000 (approximately $2,160,000). The principal activity of QAMF is the franchising of MindChamps Early Learning & PreSchool centres in Queensland, Australia.

## 17. **Investment in joint ventures** (Continued)

(c) On 28 February 2025, the Group, through its wholly owned subsidiary corporation, MCELA and together with JAGM Capital Pty. Ltd. ("JAGM") have incorporated a joint venture company, McVic in Australia. The total issued capital of McVic is AU$5,400,000, of which, the Group holds 50%, and JAGM holds 50% of the paid-up share capital, respectively. MCELA acquired 2,700,000 ordinary shares in McVic for a total consideration of AU$2,700,000 (approximately $2,276,000). The principal activity of McVic is the franchising of MindChamps Early Learning & PreSchool centres in Victoria, Australia.

(d) There are no contingent liabilities relating to the Group and Company's interest in the above joint ventures.

***Summarised financial information for material joint ventures***

*Summarised statement of financial position*

| | MCIPF | | WAMF | | QAMF | | McVic |
|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Current assets | 110 | 85 | 1,968 | 2,061 | 1,840 | 1,817 | 1,821 |
| Current liabilities | (1,322) | (1,041) | (1,574) | (1,826) | (1,456) | (1,296) | (1,622) |
| Non-current assets | 7,706 | 8,708 | 2,655 | 2,758 | 3,307 | 3,399 | 4,270 |
| Included in current assets: | | | | | | | |
| Cash and cash equivalents | 4 | 4 | 585 | 538 | 32 | – | 180 |

*Summarised statement of comprehensive income*

| | MCIPF | | WAMF | | QAMF | | McVic |
|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Revenue | – | – | 342 | 13 | – | – | 85 |
| Total comprehensive (loss)/income, representing net (loss)/income | (837) | (836) | 5 | (340) | (291) | (142) | (170) |
| Included in total comprehensive (loss)/income: | | | | | | | |
| Depreciation and amortisation | (522) | (535) | (147) | (167) | (147) | (77) | (180) |
| Interest expense | – | – | (101) | (165) | (124) | (65) | (53) |

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the joint ventures is as follows:

| | MCIPF | | WAMF | | QAMF | | McVic |
|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Post-divestment net assets | 6,822 | 8,100 | 3,049 | 2,993 | 3,691 | 3,920 | 4,469 |
| Group's equity interest | 50% | 50% | 50% | 50% | 50% | 50% | 50% |
| Group's share of post-divestment net assets/carrying amount of Group interest | 3,411 | 4,050 | 1,524 | 1,496 | 1,846 | 1,960 | 2,234 |

The Group's share of losses in these joint ventures is up to or equal to its interests. As such, the Group did not recognise further losses. As at the reporting date, there are no cumulative unrecognised losses with respect to these joint ventures.

## 17. Investments in joint ventures (Continued)

***Summarised financial information for immaterial joint ventures***

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Total comprehensive loss, representing net loss | (345) | (34) |
| Carrying amount of investment as at the end of the financial year | 647 | 748 |

## 18. Investments in subsidiary corporations

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| *Equity investments at cost* | | |
| Beginning and end of the financial year | 81,677 | 81,677 |

The Group and the Company have the following subsidiary corporations as at the reporting date:

| | | | Proportion of ordinary shares held by | | | |
|---|---|---|---|---|---|---|
| | | | Group | | Non-controlling interests | |
| Name | Principal activities | Country of business/ incorporation | 2025 % | 2024 % | 2025 % | 2024 % |
| *Held by the Company* | | | | | | |
| MindChamps PreSchool Singapore Pte. Limited[(a)] | Franchising of childcare services for preschool children | Singapore | 100 | 100 | – | – |
| Champion Mindset Academy Pte. Limited[(a)] | Commercial school offering higher education services | Singapore | 100 | 100 | – | – |
| MindChamps Shanghai Pte. Limited[(a)] | Business and management consultancy services and investment holding | Singapore | 60 | 60 | 40 | 40 |
| MindChamps – Pavcap PreSchool Global Holdings Pte. Limited[(a)] | Other holding | Singapore | 100 | 100 | – | – |
| MindChamps Capital Pte. Limited[(b)] | Asset management | Singapore | 100 | 100 | – | – |
| MindChamps Music Pte. Limited[(a)] | Music, dancing, art, speech and drama instruction | Singapore | 80 | 80 | 20 | 20 |
| MindChamps Academie of Stars Pte. Limited[(a)] | Music, dancing, art, speech and drama instruction | Singapore | 70 | 70 | 30 | 30 |
| MindChamps Early Learning Australia Pty. Limited[(c)] | Franchising of childcare services for preschool children | Australia | 100 | 100 | – | – |
| MindChamps International PreSchool Inc.[(a)] | Franchising of childcare services for preschool children | USA | 100 | 100 | – | – |

*(a) Audited by Forvis Mazars LLP.*

*(b) Struck off on 10 January 2026.*

*(c) Audited by K.S. Black & Co. and reviewed by Forvis Mazars LLP for consolidation purposes.*

## 18. Investments in subsidiary corporations (Continued)

The Group and the Company have the following subsidiary corporations as at the reporting date: (Continued)

| Name | Principal activities | Country of business/ incorporation | Proportion of ordinary shares held by Group 2025 % | Group 2024 % | Non-controlling interests 2025 % | Non-controlling interests 2024 % |
|---|---|---|---|---|---|---|
| *Held by MindChamps PreSchool Singapore Pte. Limited* | | | | | | |
| MindChamps PreSchool @ Marina Square Pte. Limited[(a)] | Childcare and related services | Singapore | 100 | 100 | – | – |
| MindChamps PreSchool @ Changi Airport Pte. Ltd.[(a)(b)] | Childcare and related services | Singapore | 80 | 80 | 20 | 20 |
| MindChamps PreSchool @ BGK Pte. Ltd.[(a)] | Childcare and related services | Singapore | 100 | 100 | – | – |
| *Held by MindChamps Early Learning Australia Pty. Limited* | | | | | | |
| MindChamps Early Learning 1 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 2 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 3 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 4 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Australia Corporate Pty. Limited[(c)] | Franchising of childcare services for preschool children | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 6 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 7 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 8 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 9 Pty. Limited[(c)] | Childcare and related services | Australia | 100 | 100 | – | – |

*(a) Audited by Forvis Mazars LLP.*

*(b) Further acquired 30% equity interest in the joint venture on 3 July 2024.*

*(c) Audited by K.S. Black & Co. and reviewed by Forvis Mazars LLP for consolidation purposes.*

**18. Investments in subsidiary corporations** (Continued)

The Group and the Company have the following subsidiary corporations as at the reporting date: (Continued)

| | | | Proportion of ordinary shares held by | | | |
|---|---|---|---|---|---|---|
| | | Country of | Group | | Non-controlling interests | |
| | | business/ | 2025 | 2024 | 2025 | 2024 |
| **Name** | **Principal activities** | **incorporation** | **%** | **%** | **%** | **%** |
| *Held by MindChamps Early Learning Australia Pty. Limited (continued)* | | | | | | |
| MindChamps Early Learning 10 Pty. Limited[(a)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 11 Pty. Limited[(a)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Early Learning 12 Pty. Limited[(a)] | Childcare and related services | Australia | 100 | 100 | – | – |
| MindChamps Frenchs Forest Pty Ltd[(a)(b)] | Childcare and related services | Australia | 100 | – | – | – |
| Champion Education Property Investment Pty. Limited[(a)] | Asset management | Australia | 100 | 100 | – | – |
| MindChamps Higher Education Academy Pty. Limited[(a)] | Teacher training | Australia | 100 | 100 | – | – |
| ELMSS Pty Ltd[(a)(c)] | Investment holding and technology development | Australia | 100 | 100 | – | – |
| MindChamps SA Pty Ltd[(a)] | Childcare and related services | Australia | 90 | 90 | – | – |

*(a) Audited by K.S. Black & Co. and reviewed by Forvis Mazars LLP for consolidation purposes.*

*(b) Acquired on 1 February 2025.*

*(c) Fully acquired on 30 September 2024.*

**Additions of subsidiary corporations**

**31 December 2025**

(i) On 1 February 2025, the Group's wholly owned subsidiary, MCELA, completed the 100% equity interest acquisition in MCFF at a consideration of A$3,044,000 (approximately $2,566,000). The principal activity of MCFF is the provision of childcare, education and learning related services for preschool children.

**31 December 2024**

(i) On 3 July 2024, the Group's wholly owned subsidiary corporation, MindChamps PreSchool Singapore Pte. Ltd., exercised its rights to convert 1,200,400 units of Class A preference shares in CT3 into ordinary shares. Subsequent to the conversion, CT3 ceased to be a joint venture and became an 80% owned subsidiary.

(ii) On 17 January 2024, a subsidiary corporation of the Company, MCELA, incorporated MCSA in Australia, holding 90% equity interest in MCSA, at a consideration of A$90 (equivalent to $79).

## 18. Investments in subsidiary corporations (Continued)

Carrying value of non-controlling interests

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Subsidiary corporations with immaterial non-controlling interests | (591) | (539) |

## 19. Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Trade payables | | | | |
| – Non-related parties | 2,250 | 1,703 | – | – |
| – Related parties | 114 | 5 | – | – |
| – Subsidiary corporations | – | – | – | 7 |
| | 2,364 | 1,708 | – | 7 |
| Other payables | | | | |
| – Non-related parties | 1,051 | 1,641 | 157 | 185 |
| – Related parties | 1,362 | 800 | 5 | – |
| – Subsidiary corporations | – | – | 13,210 | 8,064 |
| | 2,413 | 2,441 | 13,372 | 8,249 |
| Deposit received | 2,195 | 2,666 | 615 | 615 |
| Accrued operating expenses | 8,206 | 7,762 | 2,092 | 2,439 |
| Total trade and other payables | 15,178 | 14,577 | 16,079 | 11,310 |

Trade payables are non-interest bearing and the credit period granted by suppliers generally ranges from 7 to 30 (2024: 14 to 30) days.

Non-trade amounts due to related parties and subsidiary corporations are unsecured, interest-free and repayable on demand.

## 20. Borrowings and lease liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| *Current* | | | | |
| Revolving credits | 4,500 | 4,500 | 4,500 | 4,500 |
| Term loans | 2,817 | 2,936 | 2,346 | 2,346 |
| | 7,317 | 7,436 | 6,846 | 6,846 |
| Lease liabilities | 5,989 | 5,571 | 1,281 | 1,075 |
| | 13,306 | 13,007 | 8,127 | 7,921 |
| *Non-current* | | | | |
| Term loans | 4,303 | 7,120 | 4,303 | 6,648 |
| Lease liabilities | 20,946 | 20,045 | 4,466 | 5,747 |
| | 25,249 | 27,165 | 8,769 | 12,395 |
| Total borrowings | 38,555 | 40,172 | 16,896 | 20,316 |

**20. Borrowings and lease liabilities** (Continued)

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the reporting date are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| 6 months or less | 5,906 | 6,035 | 5,673 | 5,673 |
| 6 – 12 months | 1,411 | 1,401 | 1,173 | 1,173 |
| 1 – 5 years | 4,303 | 7,120 | 4,303 | 6,648 |
| Total borrowings | 11,620 | 14,556 | 11,149 | 13,494 |

*Securities granted*

Borrowings of the Group and of the Company are secured by fixed deposit and corporate guarantee by the following subsidiary corporations:

- MindChamps Early Learning Australia Pty. Limited
- MindChamps Preschool Singapore Pte Limited

*Effective interest rates*

The following are the effective interest rates of the Group and of the Company as at the reporting date:

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **%** | **%** | **%** | **%** |
| Revolving credits | 2.94 – 3.37 | 4.56 – 4.87 | 2.94 – 3.37 | 4.56 – 4.87 |
| Term loans | 3.84 – 5.69 | 2.75 – 5.69 | 3.84 – 5.69 | 5.60 – 5.69 |

*Fair value of non-current borrowings*

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Term loans | 4,013 | 6,320 | 4,013 | 5,869 |

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the reporting date, which the directors expect to be available to the Group and the Company as follows:

| | Group and Company | |
|---|---|---|
| | **2025** | **2024** |
| | **%** | **%** |
| Term loans | 3.88 | 4.50 |

The fair values are within level 2 of the fair values hierarchy.

## 20. Borrowings and lease liabilities (Continued)

*Loan covenants*

The Group's and the Company's loan agreements are subject to covenant clauses, whereby the Group and the Company are required to meet certain financial ratios. Management actively monitored these covenants and maintained close communication with lenders to ensure ongoing compliance. As at the reporting date, the Group and the Company were in compliance with all covenant requirements.

## 21. Provision for reinstatement costs

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 2025<br>$'000 | 2024<br>$'000 | 2025<br>$'000 | 2024<br>$'000 |
| Beginning of the financial year | | 754 | 803 | 49 | 44 |
| Interest accretion | | 73 | 57 | – | 5 |
| Additions | | – | 12 | – | – |
| Reversal of provision | | (75) | (16) | – | – |
| Acquisition of a subsidiary corporation | 11(a) | 41 | 12 | – | – |
| Divestment of subsidiary corporations | 11(b) | – | (59) | – | – |
| Disposal of a preschool centre | 11(c) | – | (12) | – | – |
| Currency translation differences | | 12 | (43) | – | – |
| End of the financial year | | 805 | 754 | 49 | 49 |

The provision relates to the Group's and the Company's obligation to reinstate leased premises to its original condition upon termination of each individual lease and is based on management's estimate in similar situations. The Group and the Company expect to incur the liability upon the expiration of each individual lease.

## 22. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority.

The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025<br>$'000 | 2024<br>$'000 | 2025<br>$'000 | 2024<br>$'000 |
| Deferred tax assets | 2,259 | 1,630 | 113 | 113 |

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The deferred income tax assets balance of $2,259,000 (2024: $1,630,000) relates to the temporary differences arising from certain profitable subsidiary corporations. The Group has concluded that the deferred tax assets will be recoverable based on the estimated future taxable income of its subsidiary corporations, based on the approved business plans and budgets in the upcoming financial years. The temporary differences have no expiry date.

As at the reporting date, no deferred tax liabilities were recognised for withholding and other taxes that would be payable on the unremitted profits of the Group's overseas subsidiary corporations when remitted to the holding corporation, as the overseas subsidiary corporations did not have unremitted profits as at the reporting date.

**22. Deferred income taxes** (Continued)

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

| | Note | Provisions $'000 | Tax losses $'000 | Total $'000 |
|---|---|---|---|---|
| **Group** | | | | |
| *Deferred income tax assets* | | | | |
| **2025** | | | | |
| Beginning of the financial year | | (1,461) | (169) | (1,630) |
| (Credited)/Charged to profit or loss | 10 | (827) | 169 | (658) |
| Acquisition of a subsidiary corporation | 11(a) | 67 | – | 67 |
| Currency translation differences | | (38) | – | (38) |
| End of the financial year | | (2,259) | – | (2,259) |
| **2024** | | | | |
| Beginning of the financial year | | (1,516) | (180) | (1,696) |
| Credited to profit or loss | 10 | (34) | – | (34) |
| Divestment of subsidiary corporations | 11(b) | 5 | – | 5 |
| Currency translation differences | | 84 | 11 | 95 |
| End of the financial year | | (1,461) | (169) | (1,630) |

| | Note | Accelerated tax depreciation $'000 |
|---|---|---|
| **Group** | | |
| *Deferred tax liabilities* | | |
| **2025** | | |
| Beginning and end of the financial year | | – |
| **2024** | | |
| Beginning of the financial year | | 36 |
| Charged to profit or loss | 10 | (36) |
| End of the financial year | | – |

| | Provisions $'000 |
|---|---|
| **Company** | |
| *Deferred income tax assets* | |
| **2025 and 2024** | |
| Beginning and end of the financial year | (113) |

## 23. Share capital

| | Group and Company | | | |
|---|---|---|---|---|
| | Number of shares | | Amount | |
| | 2025 | 2024 | 2025 | 2024 |
| | ’000 | ’000 | $’000 | $’000 |
| **Issued and fully paid ordinary shares with no par value** | | | | |
| Beginning and end of the financial year | 242,871 | 242,871 | 49,530 | 49,530 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The Company did not have any outstanding options, rights, subsidiary holdings, convertibles, or treasury shares as at the reporting date.

## 24. Retained profits

The retained profits of the Group are distributable, except for the accumulated losses from associates and joint ventures amounting to $944,000 (2024: $253,000). The retained profits of the Company are distributable.

Movement in retained profits for the Company is as follows:

| | Company | |
|---|---|---|
| | 2025 | 2024 |
| | $’000 | $’000 |
| Beginning of the financial year | 28,964 | 2,914 |
| Net (loss)/profit | (4,085) | 26,050 |
| End of the financial year | 24,879 | 28,964 |

## 25. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | Group | |
|---|---|---|
| | 2025 | 2024 |
| | $’000 | $’000 |
| Net profit attributable to equity holders of the Company ($’000) | 2,123 | 12 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (’000) | 242,871 | 242,871 |
| Basic earnings per share (cents per share) | 0.874 | 0.005 |

The diluted earnings per share are the same as the basic earnings per share, as there were no dilutive potential ordinary shares.

## 26. Leases

**The Group and the Company as a lessee – Office and preschool premises**

The Group leases office space and preschool premises for the purpose of back-office operations and preschool operations, respectively.

The Company leases office space for the purpose of back-office operations.

(a) Carrying amounts

Right-of-use assets classified within property, plant and equipment (Note 14):

| | Office and preschool premises | | Computer equipment |
|---|---|---|---|
| | Group $'000 | Company $'000 | Group $'000 |
| **Balance as at 1 January 2024** | 21,120 | 377 | – |
| Additions during the year | 3,908 | – | – |
| Provision for reinstatement costs | 12 | – | – |
| Lease modification | 6,528 | 6,528 | – |
| Reclassification to lease receivables | (1,294) | (3,892) | – |
| Divestment of subsidiary corporations | (915) | – | – |
| Acquisition of a subsidiary corporation | 533 | – | – |
| Disposal of a preschool centre | (503) | – | – |
| Depreciation charge during the year | (6,020) | (451) | – |
| Currency translation difference | (1,107) | – | – |
| **Balance as at 31 December 2024** | 22,262 | 2,562 | – |
| Additions during the year | 6,064 | – | 216 |
| Acquisition of a subsidiary corporation | 1,752 | – | – |
| Disposal of a preschool centre | (1,140) | – | – |
| Depreciation charge during the year | (6,042) | (495) | (12) |
| Currency translation difference | 330 | – | 2 |
| **Balance as at 31 December 2025** | 23,226 | 2,067 | 206 |

(b) Interest expense

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Interest expense on lease liabilities | 1,452 | 1,411 | 336 | 268 |

(c) Lease expense not capitalised in lease liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Lease expense – low-value leases | 63 | 71 | 5 | 5 |
| Lease expense – short-term leases | 797 | 552 | 22 | 42 |

**26. Leases** (Continued)

**The Group and the Company as a lessee – Office and preschool premises** (Continued)

(d) Total cash outflow for all the leases was $8,148,000 (2024: $7,720,000) and $1,438,000 (2024: $1,319,000) for the Group and the Company, respectively.

(e) Future cash outflows which are not capitalised in lease liabilities:

- Variable lease payments

  The lease for a preschool premise contains variable lease payments on top of fixed payments that are based on a certain percentage of the net sales for each month, less base rent, service charge and advertising and promotion contribution. There were no variable lease payments paid for the Group and the Company during the financial year ended 31 December 2025 and 2024, as the monthly base rent and service charge are higher.

- Extension options

  The leases for office space and preschool premises contain extension periods. In assessing whether these options should be included in the lease terms and lease liabilities, the Group and the Company consider whether they are reasonably certain to be exercised. For such leases, the most relevant factors are whether the premises are located in strategic locations that will contribute to the continued profitability, historical lease periods for similar assets, costs required to obtain replacement assets and business disruptions.

  As at the reporting date, potential future (undiscounted) cash outflows are $33,910,000 (2024: $33,700,000) and have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

**The Group and the Company as an intermediate lessor**

*Subleases – classified as finance leases*

The Group's and the Company's sublease of its right-of-use of the office space is classified as a finance lease because the sublease is for the entire remaining lease term of the head lease.

Right-of-use assets relating to the head leases with subleases classified as finance leases are derecognised. The net investment in the sublease is recognised under "Lease receivables".

Finance income on the net investment in sublease during the financial year is $201,000 (2024: $159,000) (Note 5). This amount is not related to variable lease payments and is not dependent on an index or rate.

The following table shows the maturity analysis of the undiscounted lease payments to be received:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 $'000 | 2024 $'000 | 2025 $'000 | 2024 $'000 |
| Not later than one year | 311 | 282 | 932 | 846 |
| Between one and five years | 970 | 1,281 | 2,911 | 3,843 |
| Total undiscounted lease payments | 1,281 | 1,563 | 3,843 | 4,689 |
| Less: unearned finance income | (132) | (199) | (395) | (596) |
| Net investment in finance lease | 1,149 | 1,364 | 3,448 | 4,093 |
| Current | 256 | 215 | 769 | 645 |
| Non-current | 893 | 1,149 | 2,679 | 3,448 |
| Total | 1,149 | 1,364 | 3,448 | 4,093 |

## 27. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) Has control or joint control over the Group;

(ii) Has significant influence over the Group; or

(iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Group.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place with related parties at terms agreed between the parties:

| | Group | |
|---|---|---|
| | 2025<br>$'000 | 2024<br>$'000 |
| Income from other related parties | | |
| – Disposal of a preschool centre | 2,465 | – |
| – Royalty fees | 1,675 | 1,583 |
| – Sales of merchandise | 589 | 165 |
| – Management service income | 1,533 | 1,048 |
| Expenses paid to other related parties | | |
| – Commission | 18 | 5 |
| Income from the immediate holding corporation | | |
| – Management service income | 215 | 177 |
| – Interest income from net investment in sublease | 67 | 53 |
| Income from joint ventures | | |
| – Exclusive territory business sales | 4,363 | 4,934 |
| – Royalty fees | 24 | 68 |
| – Management service income | 88 | 179 |

## 27. Significant related party transactions (Continued)

| | Company | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Income from a subsidiary corporation | | |
| – Dividend income | – | 31,843 |

Other related parties refer to corporations which are controlled by the Group's key management personnel, their close family members and fellow subsidiary corporations.

Outstanding balances at the reporting date, arising from sales and purchases of goods and services, are unsecured and receivable/payable within 12 months from the reporting date and are disclosed in Notes 12 and 19, respectively.

*Key management personnel compensation*

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation is as follows:

| | Group | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Wages and salaries | 1,717 | 1,845 |
| Employer's contribution to defined contribution plans, including the Central Provident Fund | 43 | 51 |
| Other short-term benefits | 50 | 484 |
| | 1,810 | 2,380 |

## 28. Financial risk management

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The key management team then establishes the detailed policies such as authority levels, risk identification and measurement, oversight responsibilities and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by the finance team. The finance team measures actual exposures against the limits set and prepares regular reports for the review of the management team and the Board of Directors. The information presented below is based on information provided to the key management team.

*(a) Market risk*

(i) <u>Currency risk</u>

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and payables, including inter-company sales, purchases and inter-company balances, that are denominated in a currency other than the Company's functional currency, the Singapore dollar ('SGD'). The currencies in which these transactions are primarily denominated are SGD and the Australian dollar ('AUD').

**28. Financial risk management** (Continued)

*(a) Market risk* (Continued)

(i) Currency risk (Continued)

The Group operates in Singapore and Australia. Entities in the Group regularly transact in their respective functional currencies. Currently, the Group does not enter into any hedging arrangements or instruments for the purposes of hedging currency risk. In the event that the Group encounters any significant exposure or potential exposure to any currency risk, the Group may take precautionary measures, including entering into hedging arrangements or instruments as may be prudent or necessary.

The Group is not exposed to the currency transaction risk as the transactions, financial assets and financial liabilities are denominated in the currency of the respective country where the business is domiciled and operates.

The Group is exposed to currency translation risk on the net assets of the Group's foreign operations in Australia, which are denominated in AUD. The Group does not enter into any of the hedging instruments for the purpose of hedging the translation of its foreign operations. There is no debt instrument denominated in foreign currency as at the reporting date.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The Company is not exposed to currency risk as the transactions are predominantly denominated in SGD.

The Group's currency exposures based on the information provided to the key management team are as follows:

| | AUD $'000 |
|---|---|
| **Group** | |
| **As at 31 December 2025** | |
| Financial assets | |
| Cash and short-term deposits | 1,104 |
| Trade and other receivables | 4,185 |
| | 5,289 |
| Financial liabilities | |
| Lease liabilities | (21,075) |
| Trade and other payables | (9,691) |
| | (30,766) |
| Net financial liabilities | (25,477) |
| Add: Net financial liabilities denominated in respective entities' functional currencies | 25,476 |
| Net currency exposure of financial liabilities | (1) |

**28. Financial risk management** (Continued)

*(a) Market risk* (Continued)

(i) Currency risk (Continued)

The Group's currency exposures based on the information provided to the key management team are as follows: (Continued)

| | **AUD $'000** |
|---|---|
| **Group** (Continued) | |
| **As at 31 December 2024** | |
| Financial assets | |
| Cash and short-term deposits | 1,907 |
| Trade and other receivables | 4,589 |
| | 6,496 |
| Financial liabilities | |
| Lease liabilities | (17,431) |
| Trade and other payables | (10,943) |
| | (28,374) |
| Net financial liabilities | (21,878) |
| Add: Net financial liabilities denominated in respective entities' functional currencies | 21,929 |
| Net currency exposure of financial assets | 51 |

If the AUD changes against the SGD by 2% (2024: 6%) with all other variables, including the tax rate, being held constant, the effects arising from the net financial assets/liabilities (excluding equity instruments) that are exposed to currency risk will be as follows:

| | **Increase/(decrease)** | |
|---|---|---|
| | **Profit after tax $'000** | **Equity $'000** |
| **Group** | | |
| **31 December 2025** | | |
| AUD against SGD | | |
| – Strengthened | – | – |
| – Weakened | – | – |
| **31 December 2024** | | |
| AUD against SGD | | |
| – Strengthened | 3 | 3 |
| – Weakened | (3) | (3) |

(ii) Price risk

The Group and the Company are not exposed to equity price risk as the Group and the Company do not hold equity financial assets.

**28. Financial risk management** (Continued)

*(a) Market risk* (Continued)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group and the Company have no significant interest-bearing assets, the Group's and the Company's income is substantially independent of changes in market interest rates.

The Group's and the Company's exposure to cash flow interest rate risks arises mainly from non-current variable-rate borrowings. The Group's and the Company's policy is to obtain the most favourable interest rates available by managing its interest cost using a mixture of fixed and variable rate debts and long and short-term borrowings. The Group and Company actively review its debt portfolio and evaluate to ensure that the interest rates are in line with the changes in interest rates that are relevant to the money market.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated mainly in SGD. If the SGD interest rates had been higher or lower by 10% (2024: 10%) with all other variables including the tax rate being held constant, the profit after tax would have been lower or higher by $50,000 and $47,000 (2024: $68,000 and $63,000) respectively as a result of higher or lower interest expense on these borrowings.

*(b) Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are trade receivables, other receivables, lease receivables, deposits and cash and cash equivalents.

For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit standing and history.

For other financial assets, the Group adopts the policy of dealing only with high-credit quality financial institutions and counterparties.

For lease receivables, management has performed a credit evaluation before entering into the sublease of the office space to the tenant. The Group adopts the policy of dealing only with reputable companies with high credit quality.

Credit exposure to an individual customer is restricted by establishing maximum payment periods of less than one-month period for both individual and corporate customers. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the management and at the Group level by the credit controller.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

**28. Financial risk management** (Continued)

*(b) Credit risk* (Continued)

The movements in credit loss allowance are as follows:

| | Note | Trade receivables $'000 | Other receivables $'000 | Total $'000 |
|---|---|---|---|---|
| **Group** | | | | |
| **2025** | | | | |
| Balance as at 1 January 2025 | | 3,590 | 988 | 4,578 |
| Loss allowance recognised in profit or loss during the year on: | | | | |
| – Additions | | 502 | 595 | 1,097 |
| – Reversal | | – | (6) | (6) |
| Written off | | – | (10) | (10) |
| Currency translation reserve | | 14 | 27 | 41 |
| Balance as at 31 December 2025 | 12 | 4,106 | 1,594 | 5,700 |
| **2024** | | | | |
| Balance as at 1 January 2024 | | 3,109 | 820 | 3,929 |
| Loss allowance recognised in profit or loss during the year on: | | | | |
| – Additions | | 499 | 219 | 718 |
| Currency translation reserve | | (18) | (51) | (69) |
| Balance as at 31 December 2024 | 12 | 3,590 | 988 | 4,578 |
| **Company** | | | | |
| **2025** | | | | |
| Balance as at 1 January 2025 | | 2,978 | 151 | 3,129 |
| Loss allowance recognised in profit or loss during the year on: | | | | |
| – Additions | | 81 | 10 | 91 |
| – Reversal | | – | (4) | (4) |
| Written off | | – | (10) | (10) |
| Balance as at 31 December 2025 | 12 | 3,059 | 147 | 3,206 |
| **2024** | | | | |
| Balance as at 1 January 2024 | | 2,974 | 484 | 3,458 |
| Loss allowance recognised in profit or loss during the year on: | | | | |
| – Additions | | 4 | 10 | 14 |
| – Reversal | | – | (343) | (343) |
| Balance as at 31 December 2024 | 12 | 2,978 | 151 | 3,129 |

During the financial year, the Group recognised additional loss allowances of $502,000 (2024: $499,000) on trade receivables and $589,000 (2024: $219,000) on other receivables. For trade receivables, the loss allowance of $502,000 (2024: $499,000) related entirely to non-related parties, with no loss allowance recognised for receivables from related parties (2024: $Nil). For other receivables, $579,000 (2024: $219,000) is related to non-related parties, while $10,000 (2024: $Nil) is related to related parties.

**28. Financial risk management** (Continued)

*(b) Credit risk* (Continued)

(i) Trade receivables

The Group and the Company use a provision matrix to measure the lifetime Expected Credit Loss ("ECL") allowance for trade receivables.

In calculating the ECL rates, trade receivables are grouped based on shared credit risk characteristics and days past due. The Group and the Company consider historical loss rates for each category of customers and adjust to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified the gross domestic product ("GDP") of the countries in which they sell goods and services to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors. Notwithstanding the above, the Group evaluates separately the expected credit loss on customers in financial difficulties which are credit impaired.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and/or the Company. The Group and the Company consider a financial asset to be in default if the counterparty fails to make contractual payments within 180 days when they fall due, and write off the financial asset when it is certain that the outstanding amount is not collectible. Where receivables are written off, the Group and the Company continue to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are received, these are recognised in profit or loss.

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2025 is set out in the provision matrix as follows:

| | | Past due | | | |
|---|---|---|---|---|---|
| | **Not past due $'000** | **Less than 3 months $'000** | **3 to 6 months $'000** | **More than 6 months $'000** | **Total $'000** |
| **Group** | | | | | |
| **School fees** | | | | | |
| Trade receivables | 367 | 9 | – | 96 | 472 |
| Loss allowance | – | – | – | (96) | (96) |
| **Franchise income** | | | | | |
| Trade receivables | 5,392 | – | – | 2,597 | 7,989 |
| Loss allowance | – | – | – | (2,584) | (2,584) |
| **Royalty income and sales of merchandise** | | | | | |
| Trade receivables | 1,028 | 931 | 176 | 1,680 | 3,815 |
| Loss allowance | – | – | – | (1,426) | (1,426) |
| **Company** | | | | | |
| **Franchise income** | | | | | |
| Trade receivables | 2,195 | – | – | 2,462 | 4,657 |
| Loss allowance | – | – | – | (2,462) | (2,462) |
| **Royalty income and sales of merchandise** | | | | | |
| Trade receivables | 30 | 39 | 18 | 629 | 716 |
| Loss allowance | – | – | – | (597) | (597) |

**28. Financial risk management** (Continued)

*(b) Credit risk* (Continued)

(i) Trade receivables (Continued)

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2024 is set out in the provision matrix as follows:

| | | Past due | | | |
|---|---|---|---|---|---|
| | **Not past due $'000** | **Less than 3 months $'000** | **3 to 6 months $'000** | **More than 6 months $'000** | **Total $'000** |
| **Group** | | | | | |
| **School fees** | | | | | |
| Trade receivables | 613 | 136 | 6 | 89 | 844 |
| Loss allowance | – | – | – | (89) | (89) |
| **Franchise income** | | | | | |
| Trade receivables | 5,805 | – | 76 | 2,594 | 8,475 |
| Loss allowance | – | – | – | (2,462) | (2,462) |
| **Royalty income and sales of merchandise** | | | | | |
| Trade receivables | 477 | 1,896 | 108 | 1,380 | 3,861 |
| Loss allowance | – | – | – | (1,039) | (1,039) |
| **Company** | | | | | |
| **Franchise income** | | | | | |
| Trade receivables | 3,198 | – | – | 2,462 | 5,660 |
| Loss allowance | – | – | – | (2,462) | (2,462) |
| **Royalty income and sales of merchandise** | | | | | |
| Trade receivables | 9 | 46 | 42 | 690 | 787 |
| Loss allowance | – | – | – | (516) | (516) |

(ii) Cash and cash equivalents, other receivables and deposits

The Group and the Company use the general approach for the assessment of ECL for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-months ECL at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment.

## 28. **Financial risk management** (Continued)

*(b)* *Credit risk* (Continued)

(ii) Cash and cash equivalents, other receivables and deposits (Continued)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-months ECL.

As at the reporting date, the Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, available press information and applying experienced credit judgement) and an assessment of impairment using the 12-months ECL basis on these financial assets. As at the reporting date, all balances for which loss allowance has been recognised are past due for more than 6 months. The Group and the Company concluded that the loss allowance provided for other receivables is adequate and the loss allowance on other financial assets is insignificant.

(iii) Lease receivables

Lease receivables of $1,149,000 and $3,448,000 of the Group and of the Company (2024: $1,364,000 and $4,093,000) are subject to credit loss. The Group and the Company entered into lease arrangements with related corporations, and there is no history of default. As such, the Group and the Company concluded that the loss allowance on this financial asset is insignificant.

*(c)* *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below analyses non-derivative financial liabilities of the Group and of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | **Less than 1 year $'000** | **Between 1 and 5 years $'000** | **More than 5 years $'000** | **Total $'000** |
|---|---|---|---|---|
| **Group** | | | | |
| **As at 31 December 2025** | | | | |
| Trade and other payables | 15,178 | – | – | 15,178 |
| Lease liabilities | 7,198 | 18,294 | 5,434 | 30,926 |
| Borrowings | 7,612 | 4,544 | – | 12,156 |
| **As at 31 December 2024** | | | | |
| Trade and other payables | 14,577 | – | – | 14,577 |
| Lease liabilities | 6,703 | 18,537 | 3,934 | 29,174 |
| Borrowings | 7,936 | 7,750 | – | 15,686 |
| Financial guarantee contract | 155 | – | – | 155 |
| **Company** | | | | |
| **As at 31 December 2025** | | | | |
| Trade and other payables | 16,079 | – | – | 16,079 |
| Lease liabilities | 1,553 | 4,852 | – | 6,405 |
| Borrowings | 7,129 | 4,544 | – | 11,673 |
| **As at 31 December 2024** | | | | |
| Trade and other payables | 11,310 | – | – | 11,310 |
| Lease liabilities | 1,410 | 6,210 | 194 | 7,814 |
| Borrowings | 7,311 | 7,266 | – | 14,577 |

## 28. **Financial risk management** (Continued)

### *(d) Capital risk*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Board of Directors monitors its capital based on the debt ratio. The debt ratio is calculated as total liabilities divided by total assets.

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Total liabilities | 60,527 | 61,937 | 33,054 | 31,875 |
| Total assets | 130,755 | 128,854 | 107,463 | 110,369 |
| Debt ratio | 46% | 48% | 31% | 29% |

The Group and the Company were in compliance with all externally imposed capital requirements for the financial years ended 31 December 2025 and 2024.

### *(e) Fair value measurements*

Other than those disclosed in the notes to the financial statements, the carrying amounts of financial assets and financial liabilities of the Group and of the Company are assumed to approximate their fair values.

### *(f) Financial instruments by category*

The carrying amount of the different categories of financial instruments disclosed is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **$'000** | **$'000** | **$'000** | **$'000** |
| Financial assets, at amortised cost | 20,308 | 23,286 | 22,578 | 24,443 |
| Financial liabilities, at amortised cost | 53,733 | 54,749 | 32,975 | 31,626 |

## 29. **Segment information**

The Key Management Personnel ("KMP") is the Group's chief decision-maker. The KMP comprises the Founder Chief Executive Officer & Executive Chairman, Chief Financial Officer and Chief Brand Officer & Chief Operating Officer.

The KMP considers the business from both a geographic and business segment perspective. Geographically, the KMP manages and monitors the business in the two primary geographic areas, namely Singapore and Australia. From a business segment perspective, the KMP separately considers the education and franchise activities in these geographic areas.

## 29. Segment information (Continued)

Operating segments that have similar economic characteristics and similar nature of products and services are aggregated into a single reportable segment. The following summary describes the operations in each of the Group's reportable segments:

*(i)* *Education*

Provision of childcare, education and learning related services for preschool children.

*(ii)* *Franchise*

Franchising of childcare services, enrichment classes and provision of administrative support services.

*(iii)* *Corporate*

Corporate office and exclusive territory business sales.

*(iv)* *Others*

Provision of commercial schools offering higher education programmes, business and management consulting services and asset management.

The segment information provided to the KMP for the reportable segments are as follows:

| | Singapore | | | | Australia | | | | Group |
|---|---|---|---|---|---|---|---|---|---|
| | Education | Franchise | Corporate | Others | Education | Franchise | Corporate | Others | Total |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **2025** | | | | | | | | | |
| **Sales** | | | | | | | | | |
| Total segment sales | 4,141 | 16,284 | – | – | 39,590 | 5,462 | – | – | 65,477 |
| Inter-segment sales | (81) | (1,061) | – | – | – | (3,982) | – | – | (5,124) |
| Sales to external parties | 4,060 | 15,223 | – | – | 39,590 | 1,480 | – | – | 60,353 |
| **EBITDA** | 1,451 | 1,944 | 2,904 | (28) | 5,145 | (3,499) | 4,363 | (1) | 12,279 |
| Depreciation | 799 | 626 | – | – | 5,301 | 198 | – | – | 6,924 |
| Amortisation | 622 | 422 | – | 220 | 103 | 331 | – | – | 1,698 |
| **Segment assets** | 5,057 | 3,411 | 16,024 | 364 | 57,653 | 47,450 | – | 796 | 130,755 |
| Segment assets include: | | | | | | | | | |
| Additions to: | | | | | | | | | |
| – property, plant and equipment | 10 | – | 147 | – | 6,258 | 113 | – | – | 6,528 |
| – intangible assets | – | – | – | 48 | – | – | – | – | 48 |
| **Segment liabilities** | (649) | – | (24,411) | (24) | (30,083) | (4,784) | – | (576) | (60,527) |

## 29. **Segment information** (Continued)

The segment information provided to the KMP for the reportable segments are as follows: (Continued)

| | Singapore | | | | Australia | | | | Group |
|---|---|---|---|---|---|---|---|---|---|
| | Education | Franchise | Corporate | Others | Education | Franchise | Corporate | Others | Total |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **2024** | | | | | | | | | |
| **Sales** | | | | | | | | | |
| Total segment sales | 7,149 | 14,257 | – | – | 41,406 | 4,698 | – | 1,783 | 69,293 |
| Inter-segment sales | (121) | (1,197) | – | – | – | (4,110) | – | (907) | (6,335) |
| Sales to external parties | 7,028 | 13,060 | – | – | 41,406 | 588 | – | 876 | 62,958 |
| **EBITDA** | 2,597 | (503) | 884 | (12) | 7,394 | (3,734) | 4,934 | (475) | 11,085 |
| Depreciation | 1,075 | 576 | – | 4 | 5,103 | 117 | – | – | 6,875 |
| Amortisation | 415 | 823 | – | 483 | – | 346 | – | – | 2,067 |
| **Segment assets** | 6,826 | 4,049 | 17,049 | 577 | 55,953 | 43,318 | – | 1,082 | 128,854 |
| Segment assets include: | | | | | | | | | |
| Additions to: | | | | | | | | | |
| – property, plant and equipment | 1,547 | – | 6,535 | – | 1,901 | 836 | – | – | 10,819 |
| – intangible assets | 200 | – | 73 | – | – | – | – | – | 273 |
| **Segment liabilities** | (3,273) | – | (27,909) | (18) | (17,432) | (12,820) | – | (485) | (61,937) |

*(a) Reconciliation – segment profits*

A reconciliation of EBITDA to profit before income tax is as follows:

| | Note | 2025 $'000 | 2024 $'000 |
|---|---|---|---|
| EBITDA for reportable segments | | 12,308 | 11,572 |
| EBITDA for other segments | | (29) | (487) |
| Depreciation | 7 | (6,924) | (6,875) |
| Amortisation | 7 | (1,698) | (2,067) |
| Finance expense | 9 | (2,155) | (2,318) |
| Interest income | 5 | 615 | 723 |
| **Profit before income tax** | | 2,117 | 548 |

*(b) Revenue from major services*

Revenue from external customers is mainly school fees, royalty fees and franchise income. The breakdown of the revenue from the respective segment is as follows:

| | 2025 $'000 | 2024 $'000 |
|---|---|---|
| Education | 43,650 | 48,434 |
| Franchise | 16,703 | 13,648 |
| Others | – | 876 |
| | 60,353 | 62,958 |

## 29. Segment information (Continued)

### *(c) Geographical information*

The Group's four business segments operate primarily in two geographical areas:

(i) Singapore

The Company is headquartered and has operations in Singapore. The operations in this area are principally those relating to the provision of childcare, education and learning related services for preschool children, franchising of childcare services for preschool children, the provision of administrative support services, provision of commercial schools offering higher education programmes, providing training courses for performing arts, business and management consulting services, investment holding and corporate services.

(ii) Australia

The operations in this area are principally those relating to the provision of childcare, education and learning related services for preschool children, franchising of childcare services for preschool children, the provision of administrative support services and the corporate office.

| | Non-current assets | |
|---|---|---|
| | **2025** | **2024** |
| | **$'000** | **$'000** |
| Singapore | 13,110 | 17,772 |
| Australia | 100,668 | 91,026 |
| | 113,778 | 108,798 |

The Group's revenue by geographical areas is disclosed under Note 4(a).

## 30. Events occurring after the reporting date

The military conflict in the Middle East that began on 28 February 2026 has led to increased uncertainty over regional security, supply chain reliability and economic conditions. The Group primarily operates in Singapore and Australia, with significant sales generated from these markets.

Based on the information currently available, the Group does not expect the conflict to have any direct material adverse impact on its results for the coming financial year. However, as the situation continues to evolve, the Group will continue to assess the corresponding impact on the financial statements.

## Ordinary Shareholdings

| | | |
|---|---|---|
| Total number of issued shares | : | 242,870,963 |
| Class of shares | : | Ordinary shares |
| Voting rights | : | One vote per ordinary share |

The Company did not have treasury shares and shares held by a subsidiary corporation.

| Number of Ordinary Shares Held | Number of Shareholders | % | Number of Ordinary Shares | % |
|---|---|---|---|---|
| 1 – 99 | 10 | 0.99 | 506 | 0.00 |
| 100 – 1,000 | 188 | 18.57 | 154,823 | 0.06 |
| 1,001 – 10,000 | 493 | 48.72 | 2,380,900 | 0.98 |
| 10,001 – 1,000,000 | 305 | 30.14 | 23,471,307 | 9.66 |
| 1,000,001 and above | 16 | 1.58 | 216,863,427 | 89.30 |
| **Total** | **1,012** | **100.00** | **242,870,963** | **100.00** |

## Substantial Shareholders

As recorded in the Register of Substantial Shareholders of the Company:

| | Number of Ordinary Shares | | | |
|---|---|---|---|---|
| **Name** | **Direct Interest** | **%*** | **Deemed Interest** | **%*** |
| David Chiem Phu An | – | – | 127,141,341 (1) | 52.35 |
| Catherine Du | – | – | 126,606,441 (2) | 52.13 |
| MindChamps Holdings Pte. Limited | – | – | 124,895,913 (3) | 51.42 |
| Champion Minds Pte. Limited | – | – | 124,895,913 (4) | 51.42 |
| Invest Learning Pte. Ltd. | 47,620,000 | 19.61 | – | – |
| Cuscaden Peak Investments Private Limited | – | – | 47,620,000 (5) | 19.61 |

**Notes:**

* Percentage is based on 242,870,963 ordinary shares (excluding treasury shares).

(1) Mr David Chiem Phu An holds 35.77% of the issued ordinary shares of Champion Minds Pte. Limited ("**Champion Minds**"), which in turn wholly-owns MindChamps Holdings Pte. Limited ("**MCH**"). Accordingly, for the purpose of Section 4 of the Securities and Futures Act 2001 of Singapore, Mr Chiem is deemed to be interested in the shares of the Company ("**Shares**") held by MCH. Mr Chiem also holds 2,245,428 Shares through DBS Nominees (Private) Limited.

(2) Ms Catherine Du holds 35.77% of the issued ordinary shares of Champion Minds, which in turn wholly-owns MCH. Accordingly, for the purpose of Section 4 of the Securities and Futures Act 2001of Singapore, Ms Du is deemed to be interested in the Shares held by MCH. Ms Du also holds 1,710,528 Shares through Citibank Nominees Singapore Pte Ltd.

(3) MCH is deemed interested in the Shares registered in the names of DBS Vickers Securities (Singapore) Pte. Ltd. and Maybank Nominees (Singapore) Private Limited.

(4) Champion Minds wholly-owns MCH. Accordingly, for the purposes of Section 4 of the Securities and Futures Act 2001 of Singapore, Champion Minds is deemed to be interested in the Shares in which MCH has an interest.

(5) Cuscaden Peak Investments Private Limited ("**CPI**") wholly-owns Invest Learning Pte. Ltd. ("**Invest Learning**"). Accordingly, for the purposes of Section 4 of the Securities and Futures Act 2001 of Singapore, CPI is deemed to be interested in the Shares in which Invest Learning has an interest. For further information on the companies and individual(s) which have direct interest and/or deemed interest in CPI, please refer to the Company's publication of the "Disclosure Of Interest/Changes In Interest Of Substantial Shareholder(s)/Unitholder(s)" in SGXNet and the Company's website.

**Twenty Largest Ordinary Shareholders**

As shown in the Register of Members and Depository Register of the Company:

| Name | Number of Ordinary Shares | % |
|---|---|---|
| DBS VICKERS SECURITIES (SINGAPORE) PTE LTD | 100,762,813 | 41.49 |
| INVEST LEARNING PTE LTD | 47,620,000 | 19.61 |
| MAYBANK NOMINEES (SINGAPORE) PTE LTD | 24,287,100 | 10.00 |
| PHILLIP SECURITIES PTE LTD | 12,923,700 | 5.32 |
| DBS NOMINEES PTE LTD | 8,018,128 | 3.30 |
| MERRILL LYNCH (SINGAPORE) PTE LTD | 6,783,100 | 2.79 |
| NG EE YONG (HUANG YURONG) | 3,078,600 | 1.27 |
| CITIBANK NOMINEES SINGAPORE PTE LTD | 2,009,728 | 0.83 |
| CHAY KIN MUN GAVIN(XIE JIANWEN) TEOH MEI YIAN (ZHAO MEIYAN) | 1,957,229 | 0.81 |
| WONG WEI HSNG (WANG WEISHENG) | 1,807,229 | 0.74 |
| LIM AH KAW @ LIM LAN CHING | 1,612,200 | 0.66 |
| UOB KAY HIAN PTE LTD | 1,334,000 | 0.55 |
| ABN AMRO CLEARING BANK N.V. | 1,236,700 | 0.51 |
| ANG HAO YAO (HONG HAOYAO) | 1,167,400 | 0.48 |
| PEH POH GEOK | 1,156,700 | 0.48 |
| RAFFLES NOMINEES (PTE) LIMITED | 1,108,800 | 0.46 |
| IFAST FINANCIAL PTE LTD | 940,700 | 0.39 |
| OCBC SECURITIES PRIVATE LTD | 826,200 | 0.34 |
| UNITED OVERSEAS BANK NOMINEES PTE LTD | 708,800 | 0.29 |
| HONG LEONG FINANCE NOMINEES PTE LTD | 700,000 | 0.29 |
| | 220,039,127 | 90.61 |

**Free Float**

Based on the information available to the Company, approximately 26.72% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

**MINDCHAMPS PRESCHOOL LIMITED**
(Company Registration Number: 200814577H)
(Incorporated in the Republic of Singapore)
(the "**Company**")

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting ("**AGM**" or "**Meeting**") of the Company will be held at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594 on Wednesday, 29 April 2026 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without amendments, the ordinary resolutions as set out below ("**Notice**").

**As Ordinary Business**

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Ms Catherine Du as Director who is retiring pursuant to Regulations 94 and 95. **(Resolution 2)**
***(See Explanatory Note (a))***

3. To re-elect Mr Teo Ser Luck as Director who is retiring pursuant to Regulation 100. **(Resolution 3)**
***(See Explanatory Note (b))***

4. To approve payment of Directors' fees of S$180,866 for the financial year ended 31 December 2025. **(Resolution 4)**
***(See Explanatory Note (c))***

5. To re-appoint Messrs Forvis Mazars LLP as Auditors and to authorise Directors to fix the Auditors' remuneration. **(Resolution 5)**

**As Special Business**

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

6. Authority to issue Shares **(Resolution 6)**

"That pursuant to Section 161 of the Companies Act 1967, Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the Constitution of the Company, the Directors of the Company be and are hereby authorised to:

(a) (i) issue shares in the capital of the Company ("**Shares**" and each a "**Share**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below). Unless prior Shareholder approval is required under the Listing Manual of the SGX-ST, an issue of treasury Shares will not require further Shareholder approval, and will not be included in the aforementioned limits;

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

***(See Explanatory Note (d))***

7. Authority to grant options, allot and issue Shares under the MindChamps PreSchool Share Option Plan **(Resolution 7)**

"That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be and are hereby authorised to grant options in accordance with the provisions of the MindChamps PreSchool Share Option Plan and to allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the exercise of vested options granted under the MindChamps PreSchool Share Option Plan, provided that the total number of Shares over which options may be granted on any date, when added to (i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury Shares and subsidiary holdings) delivered and/or to be delivered, pursuant to options already granted under the MindChamps PreSchool Share Option Plan; (ii) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury Shares and subsidiary holdings) delivered and/or to be delivered, pursuant to awards already granted under the MindChamps PreSchool Performance Share Plan; and (iii) the total number of Shares subject to any other share option or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) on the date preceding the date of the relevant award."

***(See Explanatory Note (e))***

8. Authority to grant awards, allot and issue Shares under the MindChamps PreSchool Performance Share Plan **(Resolution 8)**

"That pursuant to Section 161 of the Companies Act 1967, the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the MindChamps PreSchool Performance Share Plan and to allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the vesting of awards granted under the MindChamps PreSchool Performance Share Plan, provided that the total number of Shares over which awards may be granted on any date, when added to (i) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury Shares and subsidiary holdings) delivered and/or to be delivered, pursuant to awards already granted under the MindChamps PreSchool Performance Share Plan; (ii) the total number of new Shares allotted and issued and/or to be allotted and issued and issued Shares (including treasury Shares and subsidiary holdings) delivered and/or to be delivered, pursuant to options already granted under the MindChamps PreSchool Share Option Plan; and (iii) the total number of Shares subject to any other share option or share schemes of the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) on the date preceding the date of the relevant award."

***(See Explanatory Note (f))***

**Any Other Business**

9. To transact any other business which may be properly transacted at an AGM.

**BY ORDER OF THE BOARD**

**Yeo Hui Leng**
Company Secretary
Singapore, 14 April 2026

**Explanatory Notes to Resolutions:**

**a)** **Resolution 2** is to re-elect Ms Catherine Du who will, upon re-election, continue to serve as a Non-Independent Non-Executive Director of the Company. The detailed information on Ms Du can be found in the 'Board of Directors' and 'Further Information on Directors Seeking Re-election' sections of the Company's Annual Report and Sustainability Report FY2025.

**b)** **Resolution 3** is to re-elect Mr Teo Ser Luck who will, upon re-election, continue to serve as an Independent Director of the Company, the Chairman of the Nominating Committee and a Member of the Audit Committee and the Remuneration Committee. Mr Teo is considered as an Independent Director of the Company. The detailed information on Mr Teo can be found in the 'Board of Directors' and 'Further Information on Directors Seeking Re-election' sections of the Company's Annual Report and Sustainability Report FY2025.

**c)** **Resolution 4** is to approve the proposed Directors' fees of S$180,866 for services rendered by the Non-Executive Directors of the Company on the Board and/or the Board Committees in the financial year ended 31 December 2025.

**d)** **Resolution 6** is to empower the Directors from the date of the AGM until the date of the next AGM, to issue Shares and/or to make or grant Instruments convertible into Shares, and to issue Shares in pursuance of such Instruments. The aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the Company's total number of issued Shares (excluding treasury Shares and subsidiary holdings), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 20% of the Company's total number of issued Shares (excluding treasury Shares and subsidiary holdings). This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any Instruments made or granted under this authority.

**e)** **Resolution 7** is to empower the Directors to grant options and to allot and issue Shares upon the exercise of such share options in accordance with the MindChamps PreSchool Share Option Plan.

**f)** **Resolution 8** is to empower the Directors to grant awards and to allot and issue such number of fully paid Shares from time to time as may be required to be issued pursuant to the MindChamps PreSchool Performance Share Plan.

**Notes:**

**Format**

1. The Company's AGM is being convened, and will be held physically at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594. There will be no option for shareholders to participate virtually or by electronic means.

2. Shareholders, including CPF and SRS investors who hold the Company's Shares through CPF Agent Banks or SRS Operators, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote by attending the Meeting.

3. Attendees are required to bring along their NRIC/passport so as to enable the Company to verify their identities.

4. The resolutions at the Meeting shall be voted on by way of a poll. Polling will be done by way of an electronic poll voting system and members present in person or represented by proxy at the Meeting will be entitled to vote on a 'one-share, one-vote' basis. The detailed procedures for the electronic poll voting will be explained at the Meeting.

**Access to Documents**

1. Printed copies of this Notice of AGM, Proxy Form and Request Form will be despatched to shareholders.

2. The Annual Report and Sustainability Report FY2025 will also be made available on SGXNet and the Company's corporate website which may be accessed at the following URL: https://investor.mindchamps.org/home.html

3. Shareholders may request for printed copies of the Annual Report and Sustainability Report FY2025 in the following manner:

   (a) by completing and returning the Request Form to our registered office at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594. Attention to: Investor Relations; or

   (b) by completing and submitting the Request Form via email to ir@mindchamps.org

   in either case, by 5.00 p.m. on Tuesday, 21 April 2026.

4. Shareholders are strongly encouraged to send their completed Request Form electronically via email.

**Appointment of Proxy(ies)**

1. Shareholders (except a Relevant Intermediary as defined herein) may exercise their voting rights at the AGM in person. As an alternative to voting in person at the AGM, shareholders are entitled to appoint not more than two (2) proxies, or failing him/her, the Chairman of the AGM as their proxy to do so on their behalf. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form, otherwise the Company shall be entitled to treat the first named proxy as representing the entire number of Shares registered against the member's name in the Depository Register and any second named proxy as an alternate to the first named proxy.

2. A shareholder who is a Relevant Intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form or alternatively, separate Proxy Forms should be used.

3. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

4. The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, deposited at the registered office of the Company at **6 Raffles Boulevard #04-100 Marina Square Singapore 039594**;

   (b) if submitted electronically, be submitted via email to ir@mindchamps.org;

   in either case, by 5.00 p.m. on Thursday, 23 April 2026, being not less than seventy-two (72) hours before the time appointed for holding the Meeting.

   The proxy form can also be downloaded from SGXNet or the Company's website at https://investor.mindchamps.org/home.html.

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") at least seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on the resolutions at the AGM by appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as his/her proxy to do so on his/her behalf. In view of Section 81SJ(4) of the Securities and Futures Act 2001, Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the AGM. Any shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM. Accordingly, even if such shareholder deposits his/her proxy form forty-eight (48) hours before the AGM, the Chairman of the AGM (or any person other than the Chairman of the AGM) who is appointed as his/her proxy will not be entitled to vote on his/her behalf at the AGM.

6. CPF or SRS Investors may attend and cast his/her vote(s) at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Approved Banks, and should contact their respective CPF Agent Banks or SRS Approved Banks if they have any queries regarding their appointment as proxies. CPF or SRS Investors who are unable to attend the AGM may appoint the Chairman of the AGM as proxy, and should approach their respective CPF Agent Banks or SRS Operators (being Relevant Intermediaries) at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on Friday, 17 April 2026), to ensure that their votes are submitted.

7. A proxy need not be a member of the Company.

**Submission of questions prior and/or at the AGM**

1. Shareholders or their corporate representatives may submit questions related to the resolutions to be tabled at the AGM (a) via email to ir@mindchamps.org, or; (b) by post to the Company at **6 Raffles Boulevard #04-100 Marina Square Singapore 039594**. All questions must be submitted by 5.00 p.m. on Tuesday, 21 April 2026.

2. For verification purposes, when submitting any questions by post or email, Shareholders MUST provide the Company with their particulars including: (i) full name (for individuals)/company name (for corporates); (ii) email address; (iii) contact number; (iv) NRIC/passport number/company registration number; (v) the manner in which he/she hold shares in the Company (e.g., via CDP, CPF or SRS); and (vi) number of shares held. Any question without the identification details will not be addressed.

3. The Company will endeavour to address the substantial and relevant questions received from shareholders (which are related to the resolutions to be tabled for approval at the AGM and as may be determined by the Company in its sole discretion) in advance prior to or during the AGM. The Company will, during the AGM, also endeavour to address as many substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) which have not already been addressed prior to the AGM, as possible. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the minutes of the AGM, including substantial and relevant comments or queries from shareholders relating to the agenda of the AGM, and responses from the Company on SGXNet and the Company's website within one month after the date of AGM.

4. Shareholders (including CPF and SRS Investors) and, where applicable, appointed proxies will be able to ask questions at the AGM.

**Personal data privacy:**

By (a) submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) submitting the relevant details for the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof);

(ii) addressing relevant and substantial questions from shareholders received before the AGM and if necessary, following up with the relevant shareholders in relation to such questions;

(iii) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Photographic, sound and/or video recordings of the AGM made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the shareholders' personal data and/or representative personal data may be disclosed or transferred by the Company or its subsidiaries, its share registrar and other agents or body for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

MindChamps preschool

**MINDCHAMPS PRESCHOOL LIMITED**
(Company Registration Number: 200814577H)
(Incorporated in the Republic of Singapore)

**IMPORTANT**
1. The AGM (as defined below) is being convened, and will be held at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594. There will be no option for shareholders to participate virtually.
2. Shareholders (except a Relevant Intermediary (as defined below)) may cast their votes for the resolution at the AGM. A shareholder (whether individual or corporate) may appoint the Chairman of the AGM (or any person other than the Chairman of the AGM) to act as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the Meeting (or any person other than the Chairman of the AGM) as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment of the Chairman of the Meeting (or any person other than the Chairman of the AGM) as proxy for that resolution will be treated as invalid. A proxy need not be a member of the Company.
3. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF members and SRS investors.
4. CPF members and SRS investors:
   (a) may vote in person at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Approved Banks, and should contact their respective CPF Agent Banks or SRS Approved Banks if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Approved Banks to submit their votes at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on Friday, 17 April 2026) to specify voting instructions and to ensure that their votes are submitted.
5. By submitting this Proxy Form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2026.

## PROXY FORM

I/We, ____________________________________________ (Name)

____________________________________________ (NRIC/Passport/Company Registration Number)

of ____________________________________________ (Address),
being a shareholder/shareholders of MindChamps PreSchool Limited (the "**Company**"), hereby appoint

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings (%) |
|---|---|---|---|
| | | | |

| Name | Address | NRIC/Passport Number | Proportion of Shareholdings (%) |
|---|---|---|---|
| | | | |

or failing him/her, the Chairman of the Annual General Meeting ("AGM") as my/our proxy/proxies to vote for me/us on my/our behalf at the AGM of the Company to be held at 6 Raffles Boulevard, #04-100 Marina Square, Singapore 039594 on Wednesday, 29 April 2026 at 10.00 a.m. and at any adjournment thereof in the following manner:

| No. | Ordinary Resolutions | For | Against | Abstain |
|---|---|---|---|---|
| | **Ordinary Business** | | | |
| 1. | To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2025 and the Auditors' Report thereon. | | | |
| 2. | To re-elect Ms Catherine Du as Director pursuant to Regulations 94 and 95. | | | |
| 3. | To re-elect Mr Teo Ser Luck as Director pursuant to Regulation 100. | | | |
| 4. | To approve payment of Directors' fees for the financial year ended 31 December 2025. | | | |
| 5. | To re-appoint Messrs Forvis Mazars LLP as Auditors and to authorise Directors to fix the Auditors' remuneration. | | | |
| | **Special Business** | | | |
| 6. | To authorise Directors to issue Shares. | | | |
| 7. | To authorise Directors to grant options, allot and issue Shares under the MindChamps PreSchool Share Option Plan. | | | |
| 8. | To authorise Directors to grant awards, allot and issue Shares under the MindChamps PreSchool Performance Share Plan. | | | |

*Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate. If no specified direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.*

Dated this ________ day of ________________ 2026

| Total Number of Shares Held |
|---|
| |

____________________________________
Signature(s) of Shareholder(s) or Common Seal

**IMPORTANT: Please read notes overleaf.**

**Notes**:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.
2. Shareholders (except a Relevant Intermediary as defined herein) may exercise their voting rights at the AGM in person. As an alternative to voting in person at the AGM, shareholders are entitled to appoint not more than two (2) proxies, or failing him/her, the Chairman of the AGM as their proxy to do so on their behalf. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form, otherwise the Company shall be entitled to treat the first named proxy as representing the entire number of Shares registered against the member's name in the Depository Register and any second named proxy as an alternate to the first named proxy. This proxy form has been made available on SGXNET and may be accessed at this link: https://investor.mindchamps.org/home.html.
3. A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form or alternatively, separate Proxy Forms should be used.
4. CPF or SRS Investors may attend and cast his/her vote(s) at the AGM. CPF or SRS Investors who are unable to attend the AGM may appoint the Chairman of the AGM as proxy, and should approach their respective CPF Agent Banks or SRS Operators (being relevant intermediaries) at least seven (7) working days before the AGM (i.e. by 5.00 p.m. on Friday, 17 April 2026), to ensure that their votes are submitted.
5. A "**Relevant Intermediary**" is:
   (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
   (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. A proxy need not be a member of the Company.
7. The instrument appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy must be deposited (a) at the registered office of the Company at **6 Raffles Boulevard #04-100 Marina Square Singapore 039594**; or (b) be submitted via email to ir@mindchamps.org; not less than seventy-two (72) hours (i.e. by 5.00 p.m. on Thursday, 23 April 2026), before the time appointed for holding the AGM.
8. The instrument appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument. The dispensation of the use of common seal pursuant to Sections 41A, 41B and 41C of the Companies Act 1967 is applicable at this AGM.
9. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
10. In the case of shareholders of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM (or any person other than the Chairman of the AGM) as proxy lodged if such shareholders are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

AFFIX
STAMP

The Company Secretary
**MINDCHAMPS PRESCHOOL LIMITED**
6 Raffles Boulevard
#04-100 Marina Square
Singapore 039594

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# Corporate Information

**BOARD OF DIRECTORS**
David Chiem Phu An
(Executive Chairman)
Catherine Du
(Non-Independent Non-Executive Director)
Dr Roger Neil Sexton AM (Independent Director)
Prof Petrina Sue Coventry (Independent Director)
Teo Ser Luck (Independent Director)

**AUDIT COMMITTEE**
Dr Roger Neil Sexton AM (Chairman)
Prof Petrina Sue Coventry
Teo Ser Luck

**NOMINATING COMMITTEE**
Teo Ser Luck (Chairman)
Dr Roger Neil Sexton AM
Prof Petrina Sue Coventry

**REMUNERATION COMMITTEE**
Prof Petrina Sue Coventry (Chairperson)
Dr Roger Neil Sexton AM
Teo Ser Luck

**REGISTERED OFFICE**
6 Raffles Boulevard
#04-100 Marina Square
Singapore 039594
Tel: (65) 6828 2688
Fax: (65) 6828 2699
Website: www.mindchamps.org/preschool

**SHARE REGISTRAR**
Tricor Barbinder Share Registration Services
9 Raffles Place, #26-01, Republic Plaza Tower I
Singapore 048619
Tel: (65) 6236 3333
Fax: (65) 6236 4399
Website: www.vistra.com

**COMPANY SECRETARY**
Yeo Hui Leng (LLB (Hons))

**EXTERNAL AUDITORS**
Forvis Mazars LLP
(appointed on 14 November 2024)
135 Cecil Street #10-01
Singapore 069536

Partner-in-charge:
Chin Chee Choon
(appointed since the financial year ended 2024)

**INTERNAL AUDITORS**
KPMG Services Pte. Ltd.
12 Marina View, #15-01
Asia Square Tower 2
Singapore 018961

**PRINCIPAL BANKERS**
Standard Chartered Bank (Singapore) Limited
8 Marina Boulevard
Marina Bay Financial Centre Tower 1, Level 23
Singapore 018981

**INVESTOR RELATIONS**
6 Raffles Boulevard
#04-100 Marina Square
Singapore 039594
Tel: (65) 6828 2688
Email: ir@mindchamps.org
Website: investor.mindchamps.org

**STOCK CODE**
CNE.SI

**MindChamps PreSchool Limited**

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Singapore 039594
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