



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

ESTABLISHMENT OF GCC PRESCHOOL FUND WITH FOUNDATION CORPORATION HOLDINGS

1. Introduction

The Board of Directors of MindChamps PreSchool Limited (the “**Company**”) is pleased to announce that it has entered into a joint venture agreement (the “**JVA**”) with Foundation Corporation Holdings (“**Foundation**”) to establish a fund (the “**GCC PreSchool Fund**”) which has the investment objective of establishing and acquiring preschools in the Gulf Cooperation Council countries (“**GCC**”) and operating them under the “MindChamps” brand. Further details are set out below.

2. Foundation

Foundation is a global investment firm which invests in healthcare and education in the GCC and India. It focuses on direct investments in high-quality, well-managed businesses that have the potential for transformational growth and an initial public offering.

Since its establishment in November 2016, Foundation has completed 7 acquisitions and partnerships of portfolio companies engaged in the healthcare and education sectors in the GCC and India, impacting over 2.5 million lives a year. In 2018, Foundation established Asia’s largest chain of primary value healthcare facilities: Right Health. In 2019, Foundation led the largest foreign direct investment into Indian ophthalmology, consummating a US\$44 million investment into ASG Hospitals. In the same year, Foundation also established a US\$100 million joint venture with the Ryan International Group to operate K-12 schools in India.

As at the end of March 2020, Foundation has won several commercial awards, including the Most Progressive Healthcare Investment Firm in the UAE by International Business Magazine and the Investment Recognition Award for the UAE-India Economic Forum. Foundation has also been shortlisted for the Best Educational Investment Management Firm by Global Business Outlook and for the Best Socio Economic Impact Investor Team. Foundation has offices in Dubai and Mumbai and total assets under management of approximately US\$150 million.

Foundation’s executive team have previously held senior leadership roles as former founding management members of Amanat Holdings, an AED2.5 billion company listed on the Dubai Financial Market.

3. GCC PreSchool Fund

The GCC PreSchool Fund is intended to be established as an exempted limited partnership in the Cayman Islands, to be managed by its general partner (the “**General Partner**”), which will be incorporated by the Company and Foundation jointly.

The GCC PreSchool Fund will seek to raise an initial tranche of approximately US\$50-100 million from the offering and sale of limited partnership interests to limited partners of the GCC PreSchool Fund (“**Limited Partners**”), and is intended to have an initial term of 6 years. The Limited Partners from which funds will be raised are intended to comprise mainly third party investors, but are also intended to include the Company (investing directly or indirectly) and Foundation (investing directly or indirectly).

In relation to such fundraising, the General Partner intends to appoint a duly licensed fund manager to the GCC PreSchool Fund.

4. The General Partner

The General Partner is intended to be incorporated as an exempted limited company in the Cayman Islands with an initial share capital of US\$1 million. The Company intends to directly or indirectly own 50% of the issued share capital of the General Partner and Foundation intends to own the remaining 50%. The General Partner will receive recurring management fees from the GCC PreSchool Fund and also “carried interest” depending on the performance of the GCC PreSchool Fund.

5. The OpCo

The Company and Foundation also intend to incorporate a new company in accordance with the laws of a mutually-agreed GCC jurisdiction (“**OpCo**”) with an initial share capital of US\$4 million. The Company intends to directly or indirectly own 50% of the issued share capital of the OpCo and Foundation intends to own the remaining 50%.

The OpCo will be appointed as a master franchisee of the Company in the GCC, to facilitate the operation, training, upgrading, etc. of the newly established or acquired preschools under the “MindChamps” brand in the GCC. As master franchisee, it is intended that the OpCo will acquire an initial 30 unit franchises from the Company for resale and application to preschools owned by the GCC PreSchool Fund.

6. Potential Income Streams for the Company

The following are the potential income streams for the Company as a result of the establishment of the GCC PreSchool Fund:

- a. licence fees received from the OpCo;
- b. royalties received from both the OpCo and franchised preschools;
- c. profits from the operations of the OpCo (in which the Company intends to have a 50% shareholding);
- d. returns from the investment in the GCC PreSchool Fund; and
- e. profits from the operations of the General Partner (in which the Company intends to have a 50% shareholding).

7. Chapter 10 of the SGX-ST Listing Manual

The establishment of the GCC PreSchool Fund is in the ordinary course of expansion of the Company’s business for the purpose of Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual.