

## PROPOSED CHANGE OF AUDITORS FROM CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION TO FORVIS MAZARS LLP

### 1. Introduction

The Board of Directors (the "**Board**") of MindChamps PreSchool Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce the Company's intention to change the Group's auditor ("**Auditor**") from CLA Global TS Public Accounting Corporation ("**CLA**") to Forvis Mazars LLP ("**Mazars**") (the "**Proposed Change of Auditors**") for the current financial year ending 31 December 2024.

### 2. The Proposed Change of Auditors

CLA has served as Auditor of the Group for fifteen (15) consecutive audits since the financial year ended 31 December 2009. At the last annual general meeting ("**AGM**") of the Company held on 29 May 2024, shareholders approved the reappointment of CLA as the Auditor of the Company to hold office until the conclusion of the next AGM.

As part of good corporate governance initiatives and the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Board is of the view that it would be an opportune time to review the appointment of the Auditor as the review would provide the Group with an opportunity to benchmark its audit fees and realise cost efficiencies.

In light of the foregoing reasons, the Company's management had sought proposals from several reputable audit firms in Singapore. Following deliberations and evaluations of the proposals from various audit firms which have experience in auditing public listed companies in Singapore, the Board, in consultation with the audit committee (the "**Audit Committee**"), and taking into consideration the requirements set out under Rules 712 and 715 of the Listing Manual, has determined that Mazars is best suited to meet existing needs and audit requirements of the Group.

The Audit Committee, in its evaluation process, had reviewed and deliberated on the various proposals received from each of the audit firms, and had also taken into consideration, the Audit Quality Indicators Disclosure Framework issued by Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"), and various factors such as the adequacy of resources and experience of the audit firms and the audit engagement partner to be assigned to the audit. The Audit Committee has determined that the proposed audit fees of Mazars are more cost-efficient with no changes in the scope of the audit. Mr Chin Chee Choon, the audit engagement partner from Mazars who is a public accountant under the Accountant Act, is well suited to

meet the existing needs and audit requirements of the Group and that the quality and scope of the audit is expected to be maintained. Additionally, CLA has not started any audit work for FY2024, and no audit fees will be payable to CLA in relation to FY2024. After evaluation, the Audit Committee recommended the appointment of Mazars as Auditors of the Company in place of CLA.

The Board has taken into account the Audit Committee's recommendation including the factors considered in their evaluation and accepted to appoint Mazars as Auditors in place of CLA, subject to the approval of the shareholders at the extraordinary general meeting ("**EGM**").

In connection with the above:

- (a) Mazars had, on 25 September 2024, given their written consent to act as Auditors of the Company and its subsidiaries, subject to the approval of shareholders at the EGM;
- (b) CLA had, on 11 September 2024, applied to ACRA to seek its consent to resign as Auditors of the Company and its Singapore-incorporated subsidiaries;
- (c) ACRA had, on 4 October 2024, consented to the resignation of CLA effective on 4 October 2024; and
- (d) CLA subsequently, on 8 October 2024, provided the Company with its notice of resignation.

Pursuant to Section 205AB(5) of the Companies Act, the resignation of CLA took effect on 4 October 2024.

The Board would like to take this opportunity to express their appreciation for the past services rendered by CLA.

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) the outgoing Auditors, CLA, on 24 September 2024 via its professional clearance letter, has confirmed that it is not aware of any professional reasons why the new Auditors, Mazars, should not accept appointment as Auditors of the Company;

- (b) the Company confirms that there were no disagreements with the outgoing Auditors, CLA, on accounting treatments within the last twelve (12) months;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of shareholders which has not been disclosed in this announcement;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in this Announcement. The Proposed Change of Auditors is neither due to any disagreement with CLA nor the dismissal of CLA; and
- (e) the Company confirms that it is or will be in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Mazars as the Auditors of the Company.

### 3. Extraordinary General Meeting

The Company will make the necessary arrangements to convene the EGM to seek shareholders' approval for the Proposed Change of Auditors. A circular to shareholders containing, among others, further details on the Proposed Change of Auditors together with the notice of EGM, will be issued to shareholders in due course.

#### **MindChamps PreSchool Limited**

11 October 2024