



CFK Childcare  
Centres Limited  
ABN 75 102 498 797

9 November 2007

**ASX Announcement: secures funding from Chimaera**

CFK Childcare Centres Limited (ASX: **CFK**) is pleased to announce that it has secured funding in the form of a convertible loan for \$2,500,000 from Chimaera C M Pty Limited (**Chimaera**). Chimaera is a specialist financial services provider operating in the areas of corporate finance and wealth management.

CFK will use the funds for working capital while it completes its review of business operations and restructure, and the previously announced acquisition of child care centres from Glowclose Pty Ltd.

The terms of the convertible loan are as follows:

- Conversion is subject to shareholder approval;
- Conversion is to occur at the rate of 13.1 cents per share;
- Interest is not payable if shareholder approval is given to convert the loan before 31 March 2008;
- If shareholder approval is not given or sought by 31 March 2008, the debt is due and payable in October 2009 and interest is payable at the rate of 10% above the Reserve Bank of Australia Cash Target Rate. Chimaera can also elect to convert at a later time provided that conversion does not breach the ASX Listing Rules.

CFK will seek shareholder approval to convert at its forthcoming AGM.

Chairman of CFK, Mark Evans, said: “We are pleased to welcome Chimaera as an investor of CFK. The raising of the funds allows us to plan for the medium to long term with confidence.”

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## Appointment of CEO

Further to the announcement on 7 November 2007 concerning the appointment of Warwick Smith as Chief Executive Officer, CFK advises that Mr Smith has agreed to the following package:

- Annual salary of \$200,000 plus mandatory superannuation contribution;
- Short term bonus on completion of various key performance indications of \$30,000; and
- 3,000,000 options at strike prices ranging from 20c to 40c and with various vesting and exercise dates.

The issue of the options referred to above is subject to shareholder approval. CFK will seek this approval at its forthcoming AGM and will give full terms of the options in the meeting documents.

For further information please contact:

Oliver Carton, Company Secretary