



KINGSMEN CREATIVES LTD.

(Company Registration No: 200210790Z)

PROPOSED ACQUISITION OF A FREEHOLD PROPERTY IN JOHOR, MALAYSIA

The Board of Directors (the “**Board**”) of Kingsmen Creatives Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) wishes to announce that the Company’s indirect wholly owned subsidiary, K-Fix Production Sdn. Bhd. (the “**Purchaser**”) has entered into a sale and purchase agreement (the “**Agreement**”) dated 29 August 2014 with Fujiplates Manufacturing Sdn. Bhd. (the “**Vendor**”), an unrelated party, in respect of the purchase of a property (the “**Proposed Acquisition**”) located at Geran 237182 Lot 2592 in the Mukim Senai, District of Kulajaya, State of Johor, Malaysia (the “**Property**”).

The Vendor is a direct wholly owned subsidiary of Fuji Offset Plates Manufacturing Ltd (“**Fuji Offset Plates**”), a company listed on the Catalist board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

At present, the Property is leased by the Purchaser from the Vendor, and its operations are located at the Property. The Company is of the view that the Proposed Acquisition will enable the Purchaser to continue its operations in Johor, Malaysia and better plan and manage the expansion of its operations. The Property is of a freehold tenure and comprises land and built-in area of approximately 37,104 square metres and 14,690 square metres respectively.

A valuation of the Property, commissioned by the Vendor, has been conducted by IPC Island Property Consultants Sdn. Bhd. (the “**Valuer**”). Based on the valuation report (the “**Valuation Report**”) prepared by the Valuer, the market value of the Property is Malaysian Ringgit (“**MYR**”) 35,000,000 as at 26 February 2014 (the “**Valuation**”).

Pursuant to the terms and conditions of the Agreement, the consideration for the Proposed Acquisition is MYR 35,000,000 (the “**Consideration**”). The Consideration was determined on a “willing buyer-willing seller” basis after taking into account various factors including (i) the location of the Property; (ii) the recent transacted prices for similar properties in the vicinity of the Property; and (iii) the Valuation. The Consideration shall be paid in cash as follows:

- (a) MYR 3,500,000 shall be payable by the Purchaser to the Vendor’s solicitors as stakeholder, upon execution of the Agreement, to be released to the Vendor upon the fulfilment of the condition precedent set out in the Agreement; and
- (b) MYR 31,500,000 shall be payable by the Purchaser to the Vendor upon the completion of the Proposed Acquisition.

The Proposed Acquisition will be funded through internal resources and bank borrowings.

The Proposed Acquisition is subject to and conditional upon (i) the Vendor having obtained its shareholder’s approval in an extraordinary general meeting (“**EGM**”) to be convened; or (ii) Fuji Offset Plates having obtained a waiver from the SGX-ST to convene an EGM. The completion of the Proposed Acquisition is expected to take place within three (3) months from the date on which the Purchaser’s solicitors receive copies of the Vendor’s member’s resolution in accordance with the applicable laws and regulations of Malaysia.

Assuming that the Proposed Acquisition had been effected:

- (a) at the end of the financial year ended 31 December 2013 (“**FY2013**”), the Proposed Acquisition will not have any material effect on the consolidated net tangible asset per share of the Group; and
- (b) at the beginning of FY2013, the Proposed Acquisition will not have any material effect on the consolidated earnings per share of the Group,

for FY2013.

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the “**Listing Manual**”) are as follows:

Rule 1006(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value as at 30 June 2014.	Not applicable as the Proposed Acquisition relates to an acquisition of asset.
Rule 1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits for the financial period ended 30 June 2014.	Not applicable as the Property is purchased for the Group’s use.
Rule 1006(c)	The aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares.	7.66%
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as there are no equity securities issued as consideration pursuant to the Proposed Acquisition.
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves.	Not applicable as the Proposed Acquisition does not relate to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Acquisition constitutes a disclosable transaction under Chapter 10 of the Listing Manual.

No directors are proposed to be appointed to the Company, and no service contracts are to be entered into by the Company, in connection with the Proposed Acquisition.

None of the directors or controlling or substantial shareholders of the Company has any interest, whether direct or indirect, in the Proposed Acquisition (other than through their shareholdings in the Company).

A copy of the Agreement and the Valuation Report are available for inspection at the registered office of the Company at 3 Changi South Lane, Kingsmen Creative Centre, Singapore 486118 during the normal business hours for a period of three months from the date of this announcement.

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman
Kingsmen Creatives Ltd.

11 September 2014