



KINGSMEN CREATIVES LTD.

(Company Registration Number: 200210790Z)

RESPONSES TO QUERIES ON 2019 ANNUAL REPORT FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (the “**Board**”) of Kingsmen Creatives Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide the following information in response to the queries raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 9 May 2020:

SGX-ST’s query 1

It was stated in the 2018 Code of Corporate Governance that “Prior to 1 January 2022, the corresponding Guideline 2.4 in the 2012 Code of Corporate Governance will continue to apply.”

In this regard, please disclose how the Board has complied with Guideline 2.4 of the 2012 Code of Corporate governance which provides that the independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.

Company’s response

As disclosed on page 29 of the 2019 Annual Report, amongst the three independent directors, Mr Prabhakaran S/O Narayanan Nair has served as the independent director of the Company for more than nine years from his date of first appointment to the Board. Following its rigorous review, the Nominating Committee and the Board are of the view that Mr Prabhakaran S/O Narayanan Nair is independent.

The Board concurred with the Nominating Committee that Mr Prabhakaran S/O Narayanan Nair remains objective in expressing his views and in participating in the deliberation and decision making of the Board and Board committees, notwithstanding his tenure of service. The Nominating Committee and the Board hold the view that a director’s independence cannot be determined arbitrarily with reference to a set period of time, and that the Group benefits greatly from Mr Prabhakaran S/O Narayanan Nair’s long service due to his detailed knowledge of the Group’s business and operations. Mr Prabhakaran S/O Narayanan Nair had abstained from deliberating on the matter relating to his rigorous review.

SGX-ST's query 2

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "**Code**"), the provision from which it had varied, an explanation for the reason for variation, and an explanation on how the practices it had adopted are consistent with the intent of the relevant principle.

We note that the Company had not complied with Provision 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives.

There were no explanations provided for in your FY2019 annual report on how it is consistent with the intent of Principle 2 of the Code. Pursuant to Listing Rule 710, please clarify the provisions from which the Company had varied, provide explanations for the reason for variations, and provide explanations on how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company's response

As disclosed on page 28 of the 2019 Annual Report, each year, the Board reviews its size and composition, taking into account, *inter alia*, the scope and nature of the Group's business and operations and the benefits of all aspects of diversity, including but not limited to gender, age, cultural and educational background and professional experience in order to maintain an appropriate range and balance of skills, experience and background of the Board.

The Board is committed to pursuing gender diversity in relation to the composition of the Board. In this connection, the NC will ensure that female candidates are included for consideration whenever it seeks to identify a new director to the Board. Having said that, gender is but one aspect of diversity and a new director will continue to be selected on the basis of his/her skills, experience, knowledge, insight and relevance to the Board.

As independent directors make up at least one-third of the Board, the Board has an independent element that sufficiently enables it to exercise objective judgement and no individual or group of individuals dominate the Board's decision-making process. The Board believes that its current composition and size provide an appropriate balance and mix of skills, experience and knowledge of the Group, and other aspects of diversity such as gender and age, which avoid groupthink, foster constructive debate and facilitates effective decision-making. The directors provide core competencies such as accounting, finance, legal and human resource expertise, business and management experience, industry knowledge, strategic planning experience and customer-based experience and knowledge.

Based on the foregoing, although the Company does not have a written policy on board diversity, it is evident that 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 interest of the Company. The Nominating Committee will continue to assess on an annual basis the diversity of the Board and ensure that the diversity would be relevant to the business of the Group.

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman

12 May 2020