



KINGSMEN CREATIVES LTD.

(Company Registration Number: 200210790Z)

ACQUISITION OF 50% EQUITY INTEREST IN KINGSMEN-NASSAL KABUSHIKI KAISHA

INTRODUCTION

The Board of Directors (the “**Board**”) of Kingsmen Creatives Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its directly wholly owned subsidiary, Kingsmen Exhibits Pte Ltd (the “**Purchaser**”), has on 1 January 2023 entered into a sale and purchase agreement (the “**Agreement**”) with The Nassal Company (the “**Seller**”), in relation to the acquisition of 2,000 ordinary shares (“**Shares**”) in the share capital of Kingsmen-Nassal Kabushiki Kaisha (“**KNKK**”) (the “**Sale Shares**”), which represent 50% of the issued and paid-up share capital of KNKK (the “**Acquisition**”). Pursuant to the Acquisition, (a) the Purchaser will consequently increase its shareholding in KNKK from 2,000 Shares, which represent 50% of the issued and paid-up share capital of KNKK, to 4,000 Shares, which represent 100% of the issued and paid-up share capital of KNKK; and (b) KNKK will become an indirectly wholly owned subsidiary of the Group.

KNKK is a company incorporated in Japan and its principal activities are the design, manufacture and build of themed attractions and lifestyle parks. The negative book value and negative net tangible asset value of KNKK as at 30 November 2022 attributable to the Sale Shares was approximately SGD 516,000. The net loss before income tax of KNKK for the half year ended 30 June 2022 (“**HY2022**”) attributable to the Sale Shares was approximately SGD 121,000.

RATIONALE FOR THE ACQUISITION

The Acquisition will enable the Group to better plan and manage the operations of KNKK.

PURCHASE CONSIDERATION

The consideration for the Acquisition will be JPY 2,000 (the “**Purchase Consideration**”), which was arrived at pursuant to arm’s length negotiations between the Purchaser and the Seller on a willing-buyer willing-seller basis, after taking into account, *inter alia*, the unaudited net liabilities of KNKK as at 30 November 2022 and the earnings and growth potential of KNKK. The Purchase Consideration will be satisfied by the Purchaser in cash on the date of transfer of the Sale Shares and funded through its internal resources.

RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest announced unaudited consolidated financial statements of the Group for HY2022, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) are as follows:

Listing Manual	Bases	Relative Figures
Rule 1006(a)	The net asset value of the asset to be disposed of, compared with the Group's net asset value as at 30 June 2022.	Not applicable as the Acquisition is not a disposal.
Rule 1006(b)	The net loss attributable to the Sale Shares, compared with the Group's net profit for HY2022.	-8.6%
Rule 1006(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	#
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 the Acquisition does not involve the issue of equity securities.
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 Acquisition does not relate to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.

The relative figure under Rule 1006(c) is less than 0.1%.

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

FINANCIAL EFFECTS OF THE ACQUISITION

For illustrative purposes only, the financial effects of the Acquisition on the Group prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("FY2021") are set out below:

	Before Acquisition	After Acquisition
Net tangible assets ("NTA")		
NTA as at 31 December 2021 (S\$'000)	104,045	103,974
 Number of shares as at 31 December 2021	 201,948,299	 201,948,299
 NTA per share (S\$ cents)	 51.52	 51.49
Earnings per share ("EPS")		
Net profit for FY2021 (S\$'000)	1,004	933
 Weighted average number of shares for FY2021	 201,948,299	 201,948,299
 EPS (S\$ cents)	 0.50	 0.46

SERVICE CONTRACTS

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

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

DOCUMENT FOR INSPECTION

A copy of the Agreement is available for inspection at the registered office of the Company at 22 Changi Business Park Central 2, The Kingsmen Experience, Singapore 486032 during normal business hours for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman

1 January 2023