



KINGSMEN CREATIVES LTD.

(Company Registration Number: 200210790Z)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE LISTING MANUAL OF 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 announce the following transactions that occurred during the second half year ended 31 December 2022 pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”):

Incorporation of a subsidiary, CrayArt USA, LLC

The Company announced on 21 November 2022 that its 80% indirectly owned subsidiary, Kingsmen Xperience, Inc. (“**Kingsmen Xperience**”) has incorporated a wholly owned subsidiary, namely CrayArt USA, LLC (“**CrayArt USA**”) in the United States of America (the “**Investment**”). The issued and paid-up share capital of CrayArt USA upon incorporation is USD 500.

The principal activities of CrayArt USA are the creation and ownership of media/entertainment themed licenses and development and marketing of intellectual property for themed attractions and lifestyle parks and any related business.

The Investment by Kingsmen Xperience was funded through its internal resources and is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for the financial year ended 31 December 2022.

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

Disposal of associated companies, Kingsmen Projects Japan Limited and Kingsmen Architects & Design Limited

The Company announced on 26 December 2022 that its 33.33% directly owned associated company, Kingsmen Nikko Limited (the “**Seller**”) has entered into a sale and purchase agreement (the “**Agreement**”) with Mr. Koji Kawamura (the “**Purchaser**”), pursuant to which the Seller has agreed to sell, and the Purchaser has agreed to purchase, the Seller’s 80% equity interest in Kingsmen Projects Japan Limited (“**KPJ**”) (the “**Equity Interest**”), on the terms of the Agreement (the “**Disposal**”). The Purchaser holds the other 20% equity interest in KPJ.

Upon completion of the Disposal, the Group’s effective equity interest in KPJ will be Nil% and KPJ and its wholly owned subsidiary, Kingsmen Architects & Design Limited (“**KAD**”, and together with KPJ, the “**KPJ Group**”), will cease to be associated companies of the Group.

KPJ is a company incorporated in Japan and its principal activities are those of design and production of architectural interiors, decorations and museums.

KAD is a company incorporated in Japan and its principal activities are those of design consultancy and planning management.

The Disposal allows the Group to divest the KPJ Group to focus and reallocate resources to improve business planning and management.

The consideration for the Disposal is JPY 160 (the “**Purchase Consideration**”), which was arrived at on a willing-buyer willing-seller basis taking into consideration, inter alia, the negative book value and negative net tangible asset value of the KPJ Group as at 30 November 2022 attributable to the Equity Interest of approximately SGD 355,000. The Purchase Consideration represents an excess over the negative book value of the KPJ Group as at 30 November 2022 attributable to the Equity Interest. The gain on the Disposal is expected to be approximately SGD 118,000. The net profit before income tax of the KPJ Group for the half year ended 30 June 2022 attributable to the Equity Interest was approximately SGD 87,000.

The Purchase Consideration, which is payable in cash within one (1) day from the date of the Agreement, will be used for the general working capital requirements of the Seller.

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

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

Please refer to the Company’s announcement dated 26 December 2022 in relation to the above for more information.

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman

7 February 2023