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 half year ended 30 June 2023 pursuant to Rule 706A of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"):

<u>Acquisition of a subsidiary, Kingsmen-Nassal Kabushiki Kaisha</u>

The Company announced on 1 January 2023 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 attributable to the Sale Shares was approximately SGD 121,000.

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

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.

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.

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).

Please refer to the Company's announcement dated 1 January 2023 in relation to the above for more information.

Incorporation of a subsidiary, KX Management LLC

The Company announced on 3 March 2023 that its 80% indirectly owned subsidiary, Kingsmen Xperience, Inc. (“**Kingsmen Xperience**”), has incorporated a wholly owned subsidiary, namely KX Management LLC (“**KX Management**”) in the United States of America (the “**Investment**”). The issued and paid-up share capital of KX Management upon incorporation is USD 500.

The principal activities of KX Management 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 current financial year ending 31 December 2023.

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

Striking-off of a subsidiary, Kingsmen Indochina Pte Ltd

The Company announced on 11 April 2023 that its directly wholly owned subsidiary, Kingsmen Indochina Pte Ltd, has been struck off from the Register of Companies on 6 April 2023 pursuant to Section 344A of the Companies Act 1967 (Singapore) (the "**Striking-Off**").

The Striking-Off is not expected to have any material impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2023.

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

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman

7 July 2023