



NEWS RELEASE

KINGSMEN TO ACQUIRE SHARES IN KINGSMEN AFFILIATES

Singapore, June 29, 2004 - Kingsmen Creatives Ltd. ("Kingsmen") ("金明创新"), a three-dimensional communications design and production group in the Asia Pacific region, today announced that the Board of Directors of the Company has entered into a conditional Share Acquisition Agreement to acquire shares of Kingsmen Nikko Ltd., Kingsmen (Korea) Limited and Kingsmen Indochina Pte. Ltd. (the "Kingsmen Affiliates") from Kingsmen International Pte Ltd ("Kingsmen International").

Said Mr Benedict Soh (苏锡波), Group Managing Director of Kingsmen: "Through these acquisitions, the Group can leverage on the Kingsmen global network, thus strengthening our presence in Asia. Going forward, we hope to capitalise on greater synergy and higher economies of scale to improve our performance."

Under the first conditional Share Acquisition Agreement, Kingsmen will acquire 80% of the entire existing issued and paid-up capital of Kingsmen Indochina Pte. Ltd.; 25% of the entire existing issued and paid-up capital of Kingsmen (Korea) Limited and 30% of the entire existing issued and paid-up capital of Kingsmen Nikko Limited. Under the second conditional Share Acquisition Agreement with the managing director of Kingsmen Indochina Pte. Ltd., Kingsmen will acquire another 10% of the entire existing issued and paid-up capital of Kingsmen Indochina Pte. Ltd.

The purchase consideration was determined following negotiations on a willing buyer and willing seller basis, after taking into account the valuation report by NMG Financial Service Consultants, the independent valuer, who appraised the value of the Kingsmen Affiliates under the first Share Acquisition Agreement at S\$3.9155 million. The purchase will be through a cash payment of S\$2.9420 million under the first conditional Share Acquisition Agreement and the issue of 1,093,690 new

ordinary shares of par value S\$0.075, and allocated and issued at S\$0.21 per share under the second conditional Share Acquisition Agreement, subject to SGX approval for the listing and quotation of the same.

The acquisition will have a positive impact on the Group's financials and for illustration purposes, the net profit before taxation and after taxation attributable to the assets acquired, relating to the financial year ended 31 December 2003 amounted to S\$701,000 and S\$529,000 respectively.

Added Mr Simon Ong (王振森), the Group Executive Director: "With these acquisitions, we hope to tap on the growth potential of the Exhibits and Interiors industry in Japan, Korea and Vietnam. With Japan and Korea recovering from the economic recession and the Vietnam government encouraging foreign investments into the developing market, we are confident that the Kingsmen Affiliates will continue to grow strongly."

About Kingsmen Creatives Ltd.

Listed on the SGX-Sesdaq in 2003, Kingsmen is a three-dimensional communications design and production group in the Asia Pacific region. Established in 1976, Kingsmen offers a "one-stop-shop" solution through a vertical and horizontal integration of their services, giving their clients the benefits of convenience and cost savings. The Group designs and produces temporary installations and displays for events, tradeshows and even museums and visitor centres.

Kingsmen is also reputed for quality interior design works, and has carved a niche in the mid to up-market retail sector. The Group offers integrated marketing communications services to provide value-added services to clients.

Kingsmen has an extensive regional network with offices in 15 major cities across the Asia Pacific and Middle East regions through its affiliates. The Group has a long-standing base of clients from diverse industries including well-known names such as Robinson & Co (S) Pte Ltd, DFS Venture Singapore (Pte) Limited, the Dickson

Group, FJ Benjamin Holdings Ltd, Burberry Asia Ltd, Asian Aerospace Pte Ltd and Reed Exhibitions Pte Ltd.

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