

KINGSMEN CREATIVES LTD.
(Company Registration Number: 200210790Z)

PLACEMENT OF 20,000,000 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF KINGSMEN CREATIVES LTD. (THE "PLACEMENT")

The Placement

The Board of Directors (the "**Board**") of Kingsmen Creatives Ltd. (the "**Company**") wishes to announce that the Company has entered into a placement agreement dated 30 March 2007 (the "**Placement Agreement**") with Kim Eng Securities Pte. Ltd. (the "**Placement Agent**") pursuant to which the Company shall allot and issue 20,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") and offer the Placement Shares for subscription by way of a placement (the "**Placement**") through the Placement Agent, which has agreed to subscribe for and/or procure subscribers and payment for the Placement Shares at a price of S\$0.438 per Placement Share according to the terms of the Placement Agreement (the "**Placement Price**").

The Placement Shares shall be sold free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and carry all rights similar to the existing ordinary shares in the capital of the Company (the "**Shares**") except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Placement. The Placement Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 24 April 2006.

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$11,269,517.75 comprising 102,463,690 Shares. The Placement Shares would represent approximately 19.5% of the issued and paid-up share capital of the Company as at the date of this announcement and approximately 16.3% of the enlarged issued and paid-up share capital of the Company after the Placement.

Financial Impact

Based on the annual report of the Company for the financial year ended 31 December 2006 and the issued and paid-up share capital of the Company as at the date of this announcement, the net asset value per Share and the basic earnings per Share are 18.32 cents and 4.88 cents, respectively. The net asset value per Share and the earnings per Share, after adjusting for the subscription of all the Placement Shares, would be 22.25 cents and 4.08 cents, respectively.

Use of Proceeds

The estimated net proceeds from the Placement based on the issue of 20,000,000 Placement Shares at the Placement Price of S\$0.438 per Placement Share will amount to approximately S\$8.4 million, after deducting estimated expenses of approximately S\$331,600 (the "**Net Proceeds**").

Subject to the approval of the shareholders of the Company, approximately S\$6.5 million (74.2% of the gross proceeds from the Placement) will be used to fund the Kingsmen Affiliates Acquisition. The balance of the Net Proceeds will be used for other business expansion plans and general working capital requirements of the Group.

In the event that the approval of the shareholders of the Company is not obtained, the Net Proceeds will be used for business expansion plans and general working capital requirements of the Group.

Conditions Precedent

An offer information statement (the "**OIS**"), which complies as to form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005, has today been lodged with the Monetary Authority of Singapore (the "**Authority**"). The Company will be making an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Placement Shares on the Official List of the SGX-ST Dealing and Automated Quotation System (the "**SGX-SESDAQ**") shortly.

The Placement is subject to certain conditions precedent more particularly set out in the Placement Agreement, including the lodgement of the OIS with the Authority and the approval from the SGX-ST for the listing and quotation of the Placement Shares on the SGX-SESDAQ.

Interest of Directors and Substantial Shareholders

The Placement Shares will not be placed to any of the persons set out in Rule 812(1) of the Listing Manual of the SGX-ST unless the permission of the SGX-ST is obtained.

Save as disclosed above, none of the Directors or substantial shareholders of the Company or their associates has any interest, direct or indirect, in the Placement (other than through their shareholdings in the Company).

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman
30 March 2007