KINGSMEN CREATIVES LTD.

(Company Registration No: 200210790Z)

GROUNDBREAKING FOR CONSTRUCTION OF THE NEW KINGSMEN HEADQUARTERS AT CHANGI BUSINESS PARK

Further to the announcement made on 24 August 2015, the Board of Directors (the "**Board**") of Kingsmen Creatives Ltd. (the "**Company**") wishes to provide an update on the progress of the proposed construction of a multi-storey building on Private Lot A3004218 at Plot 19 in Changi Business Park (the "**New Building**") which will serve as the Group's (the "**Company and its subsidiaries**") new headquarters (the "**Transaction**").

The groundbreaking for the construction of the New Building was carried out today and the estimated timeline to construct the New Building is about one and half years. The temporary occupation permit is expected to be obtained by middle of 2018.

The total estimated cost for the New Building is approximately S$35 million which includes the leasehold land cost, development charge and other incidental costs but excludes financing cost. The construction of the New Building will be funded through internal resources and bank borrowings and is not expected to have any material financial impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2016.

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

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman

15 December 2016