



KINGSMEN CREATIVES LTD.

(Company Registration Number: 200210790Z)

RESPONSES TO RELEVANT AND SUBSTANTIAL QUESTIONS RELATING TO RESOLUTIONS TO BE TABLED FOR APPROVAL AT THE NINETEENTH ANNUAL GENERAL MEETING

The Board of Directors (the “**Board**” or “**Directors**”) of Kingsmen Creatives Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 6 April 2022 in relation to the Nineteenth Annual General Meeting of the Company, which will be held by way of electronic means on Thursday, 28 April 2022 at 10.00 a.m. (the “**AGM**”).

As mentioned in the said announcement, the Company shall address relevant and substantial questions relating to the resolutions to be tabled for approval at the AGM, which are submitted by shareholders of the Company (“**Shareholders**”) by 10.00 a.m. on 18 April 2022. The Company would like to thank all Shareholders who have submitted their questions by the submission deadline and set out the responses to the substantial and relevant questions as follows:-

Question 1

What are the strategies of the Group as COVID-19 appears to be weakening? What is the profitability outlook of the Group for the financial year ending 31 December 2022?

Company’s response

The Group is positioning its resources to capture the more positive business environment, moving forward. However, global and regional uncertainty and disruptions still pose challenges. The Group will continue to operate a lean organisation, while aggressively seeking opportunities to drive revenue and profitability.

Over the last 2 years, the Group has witnessed an evolution of market needs, with greater awareness and demand for consumer experiences and the importance of end-to-end consumer journeys. It is clear that differentiated experiences and engagement will be the future for the Group’s business. Therefore moving forward, the Group will focus on creating and delivering experiences, leveraging on its strengths in creativity, storytelling and project management. The Group will engage clients with new ideas and solutions, as it seeks to deliver convenience and excitement, both in the physical and digital areas.

Question 2

Please justify the proposed significant increase in Directors' fees for the financial year ended 31 December 2021 ("**FY2021**") given that no dividends have been proposed in respect of the financial year, and other listed companies on the Singapore Exchange Securities Trading Limited have either kept their directors' fees unchanged or provided for a minor increase compared to the previous year.

Company's response

The Directors' fees of S\$263,603 for FY2021 are higher compared to the corresponding amount of S\$205,750 for the financial year ended 31 December 2020 ("**FY2020**"), as in FY2020, the Executive Directors and Independent Directors had voluntarily taken a 30% and 15% reduction in their Directors' fees respectively. There were no such reductions in FY2021.

Director's fees comprises a basic fee and additional fees for serving on any of the committees, which is determined taking into account the time and effort spent on directorial duties, the experience and responsibilities of the director and the risk he/she accepts for being a director. The Directors are also responsible for supervision and oversight duties providing the necessary checks and balances. The Remuneration Committee will review the fees paid to Directors at least annually.

Question 3

How does the level of remuneration of the Executive Directors in FY2021 compare to the corresponding level in FY2020?

Company's response

The total remuneration of the Executive Directors for FY2021 is S\$2,321,000, an increase of S\$105,000 over S\$2,216,000 for FY2020. The Executive Directors have different areas of responsibility, and are remunerated based on a basic salary and performance-related bonuses and incentives that are assessed based on the achievement of their respective key performance objectives for FY2021. The remuneration of the Executive Directors for FY2021 is in line with the stronger financial performance of the Group for FY2021.

Question 4

What lessons, if any, has the Board learned from Shareholders rejection of Ordinary Resolution 8 at the Seventeenth Annual General Meeting of the Company held on 14 May 2020, which was to provide the authority to allot and issue shares under the Kingsmen Performance Share Scheme (the “**Scheme**”). Is the Board actively applying such learning when considering resolutions to be brought up to Shareholders for their consideration?

Company’s response

The Board has noted and appreciated the feedback given by Shareholders regarding their rejection of Ordinary Resolution 8 at the Seventeenth Annual General Meeting of the Company held on 14 May 2020, which was to provide the authority to allot and issue shares under the Scheme. The purpose of the Scheme is to provide an opportunity for employees who have met the performance targets to be remunerated through an equity stake in the Company, and/or when due recognition should be given to any good work performance, and/or significant contribution to the Group, as well as for employees to receive part of their annual cash bonus payment in the form of shares. The Board will continue to listen and respond to feedback from Shareholders to provide them with a greater understanding of the remuneration policies and procedures of the Group, and will continue to align the interests of the different stakeholders.

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman

21 April 2022