Securities Investors Association (Singapore)
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www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Kingsmen Creatives Ltd

Stock code: 5MZ

Meeting details:
Date: 27 April 2023
Time: 10.00 a.m.
Venue: 22 Changi Business Park Central 2, The Kingsmen Experience, Singapore 486032

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Q1. On 6 March 2023, the group announced that it has partnered with Good Vibrations Holding Co., LLC, led by Robin Turner, co-founder of WonderWorks chain, to create branded location-based entertainment in North America.

The partnership will debut with NERF ACTION XPERIENCE and PLANET PLAYSKOOL at Westfield Garden State Plaza in Paramus, New Jersey, in late 2023. Both indoor entertainment centers will feature various activity zones, food & beverage areas, and retail stores for visitors of all ages. NERF ACTION XPERIENCE will span over 36,000 square feet and offers immersive active play activities, taking the NERF brand to new heights of excitement.

(i) **Who is leading the group's expansion in the United States, and what is the collective experience and track record of the board and management team in the United States?**

(ii) **What is the budget allocated to fund the new attractions?**

(iii) **Do the location-based entertainment centers under Kingsmen Xperience in the US have significantly different risk characteristics compared to the group's existing experiential and themed attractions?**

Q2. The ageing analysis of trade receivables that are past due as at the end of the reporting year but not impaired is as follows:

Ageing analysis of trade receivables that are past due as at the end of the reporting year but not impaired is as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Past due less than 30 days	7,036	1,061	–	–
Past due 31 to 60 days	1,124	737	–	–
Past due 61 to 90 days	722	1,141	165	200
Past due over 90 days	14,239	13,786	71	50
	23,121	16,725	236	250

Ageing analysis of trade receivables as at the end of the reporting year that are impaired is as follows:

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Past due over 90 days	6,689	6,935	774	774

(Source: company annual report; page 126)

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(i) **Can management provide a breakdown of the overdue trade receivables and their upper limit, using reasonable bands, instead of showing it as "past due over 90 days"? In particular, what is the upper limit of trade receivables that are past due but not impaired?**

(ii) **How many customers have long outstanding debt past due over 90 days but not impaired? Has management looked into the reasons for the slow payments?**

Similarly, the amount past due less than 30 days has increased from $1.06 million to $7.04 million.

(iii) **What are the profiles of these customers? Is there any credit risk concentration by geography or by business line?**

(iv) **Can the audit committee (AC) help shareholders understand how it had determined $913,000 in impairment loss on doubtful trade receivables (page 114)? What were the assumptions used, including the expected credit loss rate?**

Q3. As disclosed in the corporate governance report, the internal audit function of the group is outsourced to CLA Global TS Risk Advisory Pte. Ltd. ("CLA Global TS") (formerly known as Nexia TS Risk Advisory Pte. Ltd.).

CLA Global TS reports primarily to the chairman of the AC and has full access to the documents, records, properties and personnel (including the AC) of the group. The audit plan is submitted to the AC for approval prior to commencement of the internal audit.

(i) **Does the AC provide its input on the scope of the internal audit to the internal auditors? What criteria does the AC use to determine and approve the scope of the annual internal audit plan?**

(ii) **What were the scope, key findings and recommendations by the internal auditor for FY2022?**

(iii) **Can the AC confirm that all foreign operating subsidiaries were included in the internal audit? How was the internal audit carried out for these foreign subsidiaries?**

(iv) **What is the level of oversight by the AC on the actions taken by management to follow up on the recommendations?**

(v) **Can the AC confirm that it met with the internal auditors without the presence of management in 2022?**

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