NEWS RELEASE

KINGSMEN REPORTS 1H2014 NET PROFIT OF S$6.2 MILLION

- Revenue increases 11.8% to S$136.9 million
- Revenue growth driven by exhibitions & museums, thematic & interior works
- Expects stronger second half, given pipeline of projects in the region
- Proposes interim dividend of 1.50 cents per share

1H 2014 Results Highlights

	1H 2014	1H 2013	Change
Turnover	S$136.9m	S$122.4m	+ 11.8%
Gross profit	S$36.1m	S$33.6m	+ 7.3%
Net profit	S$6.2m	S$7.6m	- 18.2%
Diluted EPS	3.21 cents	3.97 cents	- 19.1%

“The year continues to be an exciting one for us, with the undertaking of numerous projects throughout the region. This has enabled our revenue to grow by 11.8% for the 1H2014. Management has made a prudent decision to provide S$1.5 million for the legal case in China. This together with the increase in overheads to handle the larger volume of work, which would mainly be realised in the second half of the year, has affected our bottom line. Moving forward, we expect to see a strong second half as our teams are busy fulfilling committed projects. The pipeline of upcoming projects that will require our expertise and work over the next few years is substantial. Our unique business model and strong reputation for quality and delivery put us in good stead to capitalise on these opportunities for the sustainable growth of our business.” said **Mr Benedict Soh, Executive Chairman of Kingsmen**.

Singapore, August 14, 2014 – Kingsmen Creatives Ltd ("Kingsmen") ("金明创新"), and its subsidiaries ("the Group"), a leading communication design and production group in Asia Pacific and the Middle East, today announced an interim net profit of S$6.2 million for the six months ended June 30, 2014 ("1H2014"). This is a 18.2% decrease from the previous year, despite a 11.8% increase in Group turnover to S$136.9 million in 1H2014, from S$122.4 million in the previous corresponding period.

Commenting on the Group's performance, Mr Soh said: "The drop in net profit for the first half is a result of the one-off provision of S$1.5 million for costs and damages for an ongoing law suit in China, which we announced on 26 April 2014, as well as higher overheads from the increase in business flow. Business continues to be buoyant and we have secured several new contracts for retail interiors and museum & thematic attractions in the region. We expect to see a stronger showing in the second half, as the Group continues to be busy with project fulfillment as well as tenders for upcoming projects."

The **Exhibitions and Museums division** performed well in 1H2014, posting a 14.5% increase in revenue to S$49.5 million. This increase was mainly attributed to the completion of major exhibition projects such as Art Stage Singapore 2014, Singapore Air Show 2014, Food & Hotel Asia 2014 and Tax Free Asia Pacific 2014, together with the partial recognition of sizeable thematic projects in China which will be completed by the end of 2015.

The **Retail & Corporate Interiors division** continues to do well, with a 18.2% increase in revenue to S$77.2 million for 1H2014. Key revenue contributors include works for Abercrombie & Fitch, DFS, Dior, Fendi, Karl Lagerfeld, Lotte Group, Nespresso and Tiffany & Co in the region.

The Group's **Research & Design division** recorded a revenue of S$5.6 million in 1H2014 , as compared to S$5.2 million for the same period last year. The division's revenue was driven by works for brands such as Burberry, Gucci, Metro and SKII.

The **Alternative Marketing division** experienced a dip in revenue to S$4.7 million in 1H2014, from S$8.7 million in 1H2013. This decrease was due to the non-recurrence

of a major one-off project, the Chanel Cruise Collection show, which took place in 1H2013. Key accounts that contributed to the division's revenue include BMW, Health Promotion Board, National University Hospital Singapore, OCBC and Satair.

Outlook for 2014 and Beyond

The Group is confident of performing well in FY2014, given the strong pipeline of contracts and demand for the Group's services. As at 13 August 2014, the Group has secured contracts of approximately S$321 million, of which S$278 million is expected to be recognised in FY2014.

We expect the **Exhibitions & Museums** division to continue to do well, given the strong pipeline of projects and attractions that will be built in Asia and the Middle East. Global brands have also targeted Asia as a major revenue and business source, and continue to direct and hold key lifestyle events here.

Our **Retail & Corporate Interiors** is expected to sustain its momentum, given the rapid expansion of mid-tier and fast fashion brands into malls in the city centres, as well as the emergence of travel retail as a key expansion strategy for luxury brands.

In line with the Group's policy of distributing its profits to reward loyal shareholders, the Board is recommending an interim dividend of 1.50 Singapore cents per ordinary share.

About Kingsmen Creatives Ltd.

Listed on the Main Board of the Singapore Exchange, Kingsmen is a leading communication design and production group. Established in 1976, the Group has a network of 18 offices and full service facilities serving global clients in Exhibitions & Museums, Retail & Corporate Interiors, Research & Design, and Alternative Marketing today.

Kingsmen's "one-stop-shop" solution, through its vertically and horizontally integrated service offerings coupled with its network of offices and partners, provides clients the benefits of flexibility, speed and value. Building on its design-led, quality and service-driven culture, the Group has established a reputation and visible brand that is synonymous with creative and innovative solutions.

The Group serves a long-standing base of clients from diverse industries including well-known names such as BMW, Burberry, DBS Bank, FJ Benjamin Group, Gucci, Hong Kong Disneyland, LVMH, Ralph Lauren, Resorts World Sentosa, Robinsons Group, TAG Heuer, Tiffany & Co., Universal Studios Singapore and Wing Tai Asia.

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