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

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018

PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		
		First Quarter Ended		
	Note	31 Mar 18	31 Mar 17	Change
		S$'000	S$'000	%
Revenue		61,022	66,195	-7.8%
Cost of sales		(45,651)	(50,644)	-9.9%
Gross profit		15,371	15,551	-1.2%
Other items of income				
Interest income		77	80	-3.8%
Other income	(a)	994	1,133	-12.3%
Other items of expense				
Depreciation of property, plant and equipment		(522)	(520)	0.4%
Employee benefits expense		(12,951)	(12,289)	5.4%
Other expenses		(2,739)	(3,053)	-10.3%
Interest expense		(150)	(141)	6.4%
Share of results of associates		200	(110)	n/m
Profit before tax	(b)	280	651	-57.0%
Income tax expense	(c)	(126)	(234)	-46.2%
Profit net of tax		154	417	-63.1%
Other comprehensive income/(loss):				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		58	(1,085)	n/m
Other comprehensive income/(loss) for the period, net of tax		58	(1,085)	n/m
Total comprehensive income/(loss)		212	(668)	n/m
Profit/(loss) net of tax attributable to:				
Equity holders of the Company		445	383	16.2%
Non-controlling interests		(291)	34	n/m
Profit net of tax		154	417	-63.1%
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		482	(615)	n/m
Non-controlling interests		(270)	(53)	409.4%
Total comprehensive income/(loss)		212	(668)	n/m

Note :
n/m = not meaningful

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

Explanatory notes to consolidated income statement

(a) Other income comprises :-

	Group	
	First Quarter Ended	
	31 Mar 18	**31 Mar 17**
	S$'000	S$'000
Corporate fee income	291	329
Rental income	432	377
Service income	179	381
Write-back of impairment loss on doubtful trade receivable	1	-
Miscellaneous income	91	46
	994	1,133

(b) The following items have been included in arriving at profit before tax :-

	Group	
	First Quarter Ended	
	31 Mar 18	**31 Mar 17**
	S$'000	S$'000
Amortisation of intangible assets	48	23
Amortisation of land use right	61	61
Bad trade debts written off	-	6
Impairment loss on doubtful trade receivables	8	-
Loss on disposal of property, plant and equipment	25	-
Net foreign exchange loss	298	307
Operating lease expenses	925	957
Property, plant and equipment written off	-	1

(c) Included in income tax expense for the current financial period ended 31 March 2018 is an over-provision of S$20,000 (2017: under-provision of S$1,000) relating to prior year.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Note	Group			Company	
		As at 31 Mar 18	As at 31 Dec 17	As at 1 Jan 17 *	As at 31 Mar 18	As at 31 Dec 17
		S$'000	S$'000 (Restated)	S$'000 (Restated)	S$'000	S$'000
ASSETS						
Non-current assets						
Land use right		6,677	6,738	6,981	6,677	6,738
Property, plant and equipment		37,624	33,536	24,610	16,719	12,553
Intangible assets		8,453	8,637	7,794	-	-
Investments in subsidiaries		-	-	-	27,715	27,715
Investments in associates		6,378	6,333	5,954	3,430	3,430
Other investments		4,313	4,313	4,304	4,313	4,313
Trade and other receivables		163	139	759	-	-
Deferred tax assets		629	541	426	62	61
		64,237	60,237	50,828	58,916	54,810
Current assets						
Other investments		-	-	1,014	-	-
Inventories		2,200	1,583	1,607	-	-
Contract assets	(d)	23,442	15,454	23,595	-	-
Trade and other receivables	(e)	79,246	94,407	104,730	6,744	5,841
Other assets		916	1,075	1,102	46	94
Cash and cash equivalents	(f)	67,454	73,609	76,155	2,155	3,373
		173,258	186,128	208,203	8,945	9,308
Total assets		237,495	246,365	259,031	67,861	64,118
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the Company						
Share capital		27,710	27,710	27,130	27,710	27,710
Retained earnings		96,127	95,682	91,075	33,670	31,993
Other reserves		(2,431)	(2,468)	(1,379)	1,563	1,563
		121,406	120,924	116,826	62,943	61,266
Non-controlling interests		756	1,126	1,844	-	-
Total equity		122,162	122,050	118,670	62,943	61,266
Non-current liabilities						
Trade and other payables		1,147	1,195	1,245	-	-
Other financial liabilities		8,353	5,468	6,807	3,147	-
Deferred tax liabilities		276	396	374	-	-
		9,776	7,059	8,426	3,147	-
Current liabilities						
Contract liabilities	(g)	10,969	7,330	10,521	-	-
Trade and other payables	(h)	79,815	96,816	110,660	1,583	2,852
Other financial liabilities		8,734	8,465	4,249	188	-
Other liabilities		4,250	2,489	2,607	-	-
Income tax payable		1,789	2,156	3,898	-	-
		105,557	117,256	131,935	1,771	2,852
Total liabilities		115,333	124,315	140,361	4,918	2,852
Total equity and liabilities		237,495	246,365	259,031	67,861	64,118

* The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 and applied SFRS(I) 1 First-time Adoption of SFRS(I) with 1 January 2017 as the date of transition, which requires the first SFRS(I) financial statements to comprise of an opening SFRS(I) statement of financial position at the date of transition to SFRS(I).

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (Cont'd)

Explanatory notes to statements of financial position

(d) **Contract assets**

Contract assets comprise of the contract costs incurred and the profits/losses recognised less the progress billings on our interior fit-out projects and various thematic works across Asia and the Middle East.

(e) **Trade and other receivables**

	Group			Company	
	As at 31 Mar 18	As at 31 Dec 17	As at 1 Jan 17	As at 31 Mar 18	As at 31 Dec 17
	S$'000	S$'000	S$'000	S$'000	S$'000
Trade receivables	67,223	85,192	95,816	1,820	1,346
Other receivables	12,023	9,215	8,914	4,924	4,495
Total	79,246	94,407	104,730	6,744	5,841

(f) **Cash and cash equivalents**

	Group			Company	
	As at 31 Mar 18	As at 31 Dec 17	As at 1 Jan 17	As at 31 Mar 18	As at 31 Dec 17
	S$'000	S$'000	S$'000	S$'000	S$'000
Cash at banks and in hand	51,483	60,048	60,027	1,070	2,288
Short-term deposits	15,971	13,561	16,128	1,085	1,085
Total	67,454	73,609	76,155	2,155	3,373

(g) **Contract liabilities**

Contract liabilities comprise of the progress billings less the contract costs incurred and the profits/losses recognised on our interior fit-out projects and various thematic works across Asia and the Middle East.

(h) **Trade and other payables**

	Group			Company	
	As at 31 Mar 18	As at 31 Dec 17	As at 1 Jan 17	As at 31 Mar 18	As at 31 Dec 17
	S$'000	S$'000	S$'000	S$'000	S$'000
Trade payables	66,172	77,759	89,787	-	-
Other payables	13,643	19,057	20,873	1,583	2,852
Total	79,815	96,816	110,660	1,583	2,852

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group	
	As at 31 Mar 18	**As at 31 Dec 17**
	S$'000	S$'000
Secured		
- repayable within one year or on demand	8,734	8,465
- repayable after one year	8,353	5,468
	17,087	13,933
Unsecured		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
	-	-

Details of any collaterals

Bank loans and trust receipts are secured by way of legal charges on the Group's four properties in Singapore and Malaysia, corporate guarantees of the Company and a subsidiary in Malaysia, personal guarantees given by certain directors of the subsidiaries in Malaysia and short-term deposits pledged to the banks.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group First Quarter Ended 31 Mar 18 S$'000	 31 Mar 17 S$'000
Cash flows from operating activities			
Profit before tax		280	651
Adjustments for:			
Amortisation of intangible assets		48	23
Amortisation of land use right		61	61
Bad trade debts written off		-	6
Depreciation of property, plant and equipment		578	566
Loss on disposal of property, plant and equipment		25	-
Net impairment loss on doubtful trade receivables		7	-
Property, plant and equipment written off		-	1
Interest income		(77)	(80)
Interest expense		150	141
Share of results of associates		(200)	110
Currency realignment		223	583
Operating cash flows before changes in working capital		1,095	2,062
(Increase)/decrease in:			
Inventories		(617)	(612)
Contract assets		(7,913)	(5,149)
Trade and other receivables		15,190	14,683
Other assets		202	(136)
Increase/(decrease) in:			
Contract liabilities		3,639	(110)
Trade and other payables		(15,862)	(20,483)
Other liabilities		1,761	(825)
Net cash flows used in operations		(2,505)	(10,570)
Interest received		77	80
Interest paid		(150)	(141)
Income tax paid		(743)	(881)
Net cash flows used in operating activities		(3,321)	(11,512)
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,642)	(2,805)
Proceeds from disposal of property, plant and equipment		63	-
Net cash flows used in investing activities		(5,579)	(2,805)
Cash flows from financing activities			
Dividend paid to non-controlling interest of a subsidiary		(100)	-
Proceeds from draw down of loans and borrowings		4,955	1,019
Repayment of loans and borrowings		(2,011)	(969)
Repayment of finance lease obligations		-	(2)
Increase in deposits pledged for bank facilities		(26)	(604)
Net cash flows from/(used in) financing activities		2,818	(556)
Net decrease in cash and cash equivalents		(6,082)	(14,873)
Effect of exchange rate changes on cash and cash equivalents		(99)	(1,186)
Cash and cash equivalents at beginning of period		71,073	74,551
Cash and cash equivalents at end of period	(i)	64,892	58,492

Explanatory note to consolidated cash flow statement

(i) Cash and cash equivalents included in the consolidated cash flow statement comprise the following:-

	Group As at 31 Mar 18 S$'000	 As at 31 Mar 17 S$'000
Cash at banks and in hand	51,483	40,002
Short-term deposits	15,971	20,698
	67,454	60,700
Less: Deposits pledged for bank facilities	(2,562)	(2,208)
Cash and cash equivalents	64,892	58,492

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to equity holders of the Company					
	Share capital S$'000	**Retained earnings** S$'000	**Other reserves** S$'000	**Equity attributable to equity holders of the Company, total** S$'000	**Non-controlling interests** S$'000	**Equity, total** S$'000
Opening balance at 1 January 2018, as previously reported	27,710	97,507	(4,293)	120,924	1,126	122,050
Effect of adopting SFRS(I)	-	(1,825)	1,825	-	-	-
Opening balance at 1 January 2018, as restated	27,710	95,682	(2,468)	120,924	1,126	122,050
Profit/(loss) for the period	-	445	-	445	(291)	154
Other comprehensive income						
Foreign currency translation	-	-	37	37	21	58
Other comprehensive income for the period, net of tax	-	-	37	37	21	58
Total comprehensive income/(loss) for the period	-	445	37	482	(270)	212
Changes in ownership interests in subsidiaries						
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	(100)	(100)
Total changes in ownership interests in subsidiaries	-	-	-	-	(100)	(100)
Total transactions with equity holders in their capacity as equity holders	-	-	-	-	(100)	(100)
Closing balance at 31 March 2018	27,710	96,127	(2,431)	121,406	756	122,162

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

Group	Attributable to equity holders of the Company					
	Share capital S$'000	**Retained earnings** S$'000	**Other reserves** S$'000	**Equity attributable to equity holders of the Company, total** S$'000	**Non-controlling interests** S$'000	**Equity, total** S$'000
Opening balance at 1 January 2017, as previously reported	27,130	92,900	(3,204)	116,826	1,844	118,670
Effect of adopting SFRS(I)	-	(1,825)	1,825	-	-	-
Opening balance at 1 January 2017, as restated	27,130	91,075	(1,379)	116,826	1,844	118,670
Profit for the period	-	383	-	383	34	417
Other comprehensive loss						
Foreign currency translation	-	-	(998)	(998)	(87)	(1,085)
Other comprehensive loss for the period, net of tax	-	-	(998)	(998)	(87)	(1,085)
Total comprehensive income/(loss) for the period	-	383	(998)	(615)	(53)	(668)
Total transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Other						
Appropriation to statutory reserve fund	-	(4)	4	-	-	-
Total other	-	(4)	4	-	-	-
Closing balance at 31 March 2017	27,130	91,454	(2,373)	116,211	1,791	118,002

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

Company	Attributable to equity holders of the Company			
	Share capital S$'000	Retained earnings S$'000	Other reserves S$'000	Equity, total S$'000
Opening balance at 1 January 2018	27,710	31,993	1,563	61,266
Profit for the period	-	1,677	-	1,677
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	1,677	-	1,677
Total transactions with equity holders in their capacity as equity holders	-	-	-	-
Closing balance at 31 March 2018	27,710	33,670	1,563	62,943
Opening balance at 1 January 2017	27,130	27,812	1,554	56,496
Profit for the period	-	3,018	-	3,018
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,018	-	3,018
Total transactions with equity holders in their capacity as equity holders	-	-	-	-
Closing balance at 31 March 2017	27,130	30,830	1,554	59,514

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares, excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital for the current financial period ended 31 March 2018.

There were no outstanding convertibles issued by the Company as at 31 March 2018 and 31 March 2017.

There were no treasury shares held by the Company as at 31 March 2018 and 31 March 2017. There were no subsidiary holdings as at 31 March 2018 and 31 March 2017. The percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings of 199,107,061 and 198,140,781 as at 31 March 2018 and 31 March 2017 were Nil% and Nil% respectively.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	As at 31 Mar 18	As at 31 Dec 17
Total number of issued shares excluding treasury shares	199,107,061	199,107,061

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period ended 31 March 2018.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period ended 31 March 2018.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") as issued by the Singapore Accounting Standards Council, that is identical to the International Financial Reporting Standards on 1 January 2018. In adopting SFRS(I), the Group has elected for the optional exemption to reset its cumulative translation differences for foreign operations to zero at the date of transition at 1 January 2017. As a result, cumulative translation losses of $1,825,000 were reclassified from foreign currency translation reserve to retained earnings as at 1 January 2017.

In addition, the Group has adopted all the applicable new and revised SFRS(I) and Interpretations to SFRS(I) ("SFRS(I) INT") that are mandatory for the accounting periods beginning on or after 1 January 2018. The adoption of these new and revised SFRS(I) and SFRS(I) INT has no significant impact on the financial statements.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	First Quarter Ended	
	31 Mar 18	31 Mar 17
Net profit attributable to shareholders (S$'000)	445	383
Weighted average number of ordinary shares in issue	199,107,061	198,140,781
Basic and diluted earnings per share (S$ cents)	0.22	0.19

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2018 and 31 March 2017.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31 Mar 18	As at 31 Dec 17	As at 31 Mar 18	As at 31 Dec 17
Net asset value, net of non-controlling interests (S$'000)	121,406	120,924	62,943	61,266
Number of ordinary shares in issue, excluding treasury shares	199,107,061	199,107,061	199,107,061	199,107,061
Net asset value per ordinary share (S$ cents)	60.98	60.73	31.61	30.77

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Revenue

	Group			
	First Quarter Ended			
	31 Mar 18	31 Mar 17	+/-	
	S$'000	S$'000	S$'000	%
Exhibitions & Thematic	29,858	25,195	4,663	18.5%
Retail & Corporate Interiors	24,923	35,158	(10,235)	-29.1%
Research & Design	3,319	2,895	424	14.6%
Alternative Marketing	2,922	2,947	(25)	-0.8%
	61,022	**66,195**	**(5,173)**	**-7.8%**

For the first quarter ended 31 March 2018 ("1Q 2018"), the Group recorded a revenue of S$61.0 million, a decrease of S$5.2 million or 7.8% compared to S$66.2 million for the previous corresponding period ended 31 March 2017 ("1Q 2017").

The **Exhibitions & Thematic division** registered a revenue of S$29.9 million in 1Q 2018, an increase of S$4.7 million or 18.5% from S$25.2 million in 1Q 2017. The increase in revenue was due to the completion of several major events in 1Q 2018. The key contributors to the division's revenue included major events and projects such as Art Stage Singapore 2018, Buds by Shangri-La Singapore, Money 2020 Asia 2018, Shenzhen Binhai Tencent Exhibition Centre, Singapore Airshow 2018, SMBC Singapore Open 2018 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S$24.9 million in 1Q 2018, a decrease of S$10.2 million or 29.1% compared to S$35.1 million in 1Q 2017. Demand for interior design and fit-out services from the retail segment remained soft. The key accounts which contributed to the division's revenue included clients and brand names such as AIA, Coach, Fendi, Hanoi French Hospital, Ralph Lauren, Singtel and Tiffany & Co..

The **Research & Design division** registered a revenue of S$3.3 million in 1Q 2018, an increase of S$0.4 million or 14.6% from S$2.9 million in 1Q 2017. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Procter & Gamble Co., TAG Heuer and Tencent, and thematic projects in the region.

The **Alternative Marketing division** achieved a revenue of S$2.9 million in 1Q 2018, which was relatively unchanged compared to 1Q 2017. The key contributors to the division's revenue included events and projects from clients such as Asia-Pacific Association for International Education, Automobile Association of Singapore, Robinson and Samsonite.

Gross Profit

	Group		
	First Quarter Ended		
	31 Mar 18	31 Mar 17	+/-
	S$'000	S$'000	%
Revenue	61,022	66,195	-7.8%
Gross profit	15,371	15,551	-1.2%
Gross profit margin	25.2%	23.5%	

Gross profit in 1Q 2018 decreased by S$0.2 million or 1.2% to S$15.4 million compared to S$15.6 million in 1Q 2017. The decrease was a result of lower revenue recorded and partially offset by an increase in gross profit margin. Gross profit margin was higher at 25.2% in 1Q 2018 compared to 23.5% in 1Q 2017.

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (Cont'd)

Other Items of Income

Interest income relates mainly to interest income earned from short-term deposits and bank balances placed with banks.

Other income comprises items as set out in Note 1(a)(a).

Other Items of Expense

	Group		
	First Quarter Ended		
	31 Mar 18	31 Mar 17	+/-
	S$'000	S$'000	%
Depreciation of property, plant and equipment	522	520	0.4%
Employee benefits expense	12,951	12,289	5.4%
Other expenses	2,739	3,053	-10.3%
Interest expense	150	141	6.4%
	16,362	**16,003**	**2.2%**

Higher operating expenses were incurred in 1Q 2018 compared to 1Q 2017. The depreciation charge on property, plant and equipment was relatively unchanged in 1Q 2018 compared to 1Q 2017. The increase in employee benefits expense was mainly due to higher cost resulting from increased headcount and average wage. Other expenses were lower in 1Q 2018 compared to 1Q 2017 mainly due to lower selling and distribution expenses incurred. The increase in interest expense was mainly due to a higher amount of loans and borrowings outstanding in 1Q 2018 compared to 1Q 2017.

Share of Results of Associates

Share of results of associates changed by S$0.3 million from a loss of S$0.1 million in 1Q 2017 to a profit of S$0.2 million in 1Q 2018. The change was mainly due to higher profit contribution from an associate and partially offset by loss contribution from other associates.

Profit Net of Tax Attributable to Equity Holders of the Company

Based on the above, profit net of tax attributable to equity holders of the Company increased by S$0.1 million or 16.2% from S$0.4 million in 1Q 2017 to S$0.5 million in 1Q 2018.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Cash Flow

Net cash used in operating activities of S$3.3 million in 1Q 2018 mainly arose from cash outflow from a net increase in working capital requirements of S$3.6 million (largely from movements in contract assets, trade and other receivables, and trade and other payables). Net cash used in investing activities of S$5.6 million in 1Q 2018 comprised mainly of purchase of property, plant and equipment of S$5.7 million. Net cash from financing activities of S$2.8 million in 1Q 2018 mainly arose from net proceeds from loans and borrowing of S$2.9 million. Based on the above, the Group had a net decrease in cash and cash equivalents of S$6.1 million in 1Q 2018 and the cash and cash equivalents stood at S$64.9 million as at 31 March 2018.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In the announcement on 22 February 2018, the Group stated that, barring unforeseen circumstances, it expects FY2018 to be a profitable year. The 1Q 2018 results are in line with the Group's overall expectation for the year.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Exhibitions & Thematic division expects demand for its services and expertise in the exhibition, event, museum and thematic industries to continue to expand as consumer preferences and needs gravitate towards an experiential focus. The division is well placed to tap on these demands and has completed several events and projects to date, including Art Stage Singapore 2018, Money 2020 Asia 2018 and Singapore Airshow 2018.

The Retail and Corporate Interiors division remains well-positioned to meet the evolving needs of its clients with its broad range of service offerings and expertise. The division will continue to expand its reach and presence in the hospitality, corporate interior, food & beverage and mall public area segments while continuing to serve its clients in the more established markets of high-end luxury, affordable luxury, fast fashion and travel retail.

The Group will continue to strengthen its foothold in its core businesses and existing markets, while embarking on the next phase of transformation with its entry into new business areas to introduce additional earning streams. The diverse industries the Group serves and ability to create and build experiences give the Group unique opportunities to continue its growth.

As at 30 April 2018, the Group has secured contracts of S$195 million, of which S$156 million is expected to be recognised in FY2018. Barring unforeseen circumstances, the Group expects FY2018 to be a profitable year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the current financial period ended 31 March 2018.

13 If the group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited. If no interested person transactions mandate has been obtained, a statement to that effect.

No interested person transaction mandate has been obtained from the shareholders of the Company. There were no interested person transactions of S$100,000 and above entered into by the Group during the current financial period ended 31 March 2018.

14 Confirmation of negative assurance by the Board of Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

We, Soh Siak Poh Benedict and Simon Ong Chin Sim, being two of the Directors of Kingsmen Creatives Ltd. (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results for the current financial period ended 31 March 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Soh Siak Poh Benedict	Simon Ong Chin Sim
Executive Chairman	Deputy Executive Chairman

10 May 2018

15 Confirmation that the issuer has procured undertakings from its directors and executive officers under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Company confirms that it has procured undertakings from its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD OF DIRECTORS

Soh Siak Poh Benedict
Executive Chairman

10 May 2018