NEWS RELEASE

KINGSMEN REPORTS FULL YEAR NET PROFIT OF S$10.9 MILLION

- Revenue of S$329.7 million
- Pipeline of projects in the region remains strong at S$106 million
- Proposes final dividend of 1.5 Singapore cents per share

FY 2016 Results Highlights

	FY 2016	FY 2015	Change
Revenue	S$329.7m	S$327.9m	+ 0.6%
Gross profit	S$83.5m	S$83.7m	- 0.3%
Net profit	S$11.9m	S$19.1m	- 37.6%
EPS	6.02 cents	9.71 cents	- 38.0%

"In 2016, in the midst of global uncertainties, we pushed hard to expand our base of clients and enhance the capabilities of our value chain. As a result of these efforts, we managed to achieve a revenue of S$329.7 million and a net profit of S$11.9 million in FY2016. This is a S$1.2 million or 9.3% decrease compared to the net profit of S$13.1 million in FY2015, if we were to exclude the non-recurring one-off gain of S$5.9 million from the sale of part of our stake in Kingsmen C.M.T.I. Public Company Limited and the fair value of the remaining interest. Looking ahead, we envisage that uncertainties and challenges will remain through 2017. However, opportunities are there for us to continue to grow. We see good potential in the lifestyle entertainment and event scenes especially in the thematic attractions, museums and events space, with more developments and new concepts in the pipeline. This is widely driven by economic growth, rising sophistication and heightened consumer spending in the Asian economies. We envisage this trend to continue. The retail scene is also poised to move forward to better position themselves for the future, after a cautious two-year period. We are well positioned to capitalise on these developments as we further develop and integrate our service offerings. These, combined with various initiatives to add revenue streams to our business will ensure we remain relevant to market needs and stand us in good stead for years to come." said **Mr Andrew Cheng, Group CEO of Kingsmen**.

Singapore, February 21, 2017 – 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 a revenue of S$329.7 million for the year ended December 31, 2016 ("FY 2016"). This is a 0.6% increase from S$327.9 million recorded in the previous corresponding year. In FY 2015, the Group recognised a one-off gain of S$5.9 million from the disposal of interest in Kingsmen C.M.T.I. Public Company Limited and the fair value of the remaining interest in the company. In FY 2016, this non-recurrence, in addition to lower margins for retail & corporate interiors works and higher operating costs impacted the Group's bottom line and full year net profit decreased to S$11.9 million in FY 2016 compared to S$19.1 million in FY 2015.

The **Exhibitions and Thematic division** recorded a revenue of S$151.4 million in FY 2016, a 12.1% decrease compared to S$172.3 million in FY 2015. The key contributors to the division's revenue were major events and projects such as Art Stage Singapore 2016, BNP Paribas WTA Finals Singapore presented by SC Global, Food & Hotel Asia, Formula 1 Singapore Grand Prix, Singapore Airshow 2016, TFWA Asia Pacific Exhibition & Conference 2016, Dubai Frame, Heilan Horse Cultural Experience Pavilion, King Abdulaziz Center for World Culture, KidZania Singapore and thematic projects in the region.

The **Retail & Corporate Interiors division** achieved a 16.7% increase in revenue to S$150.5 million in FY 2016, compared to S$129.0 million in FY 2015. Key accounts for the division include Birkenstock, Bottega Veneta, Coach, DBS Bank, DFS Venture, Fendi, Robinsons, Skechers, Tiffany & Co. and Uniqlo.

The **Research & Design division** registered a revenue of S$15.1 million in FY 2016, an increase of 0.5% compared to S$15.0 million in FY 2015. The division's key accounts include clients and brand names such as AllSaints, BMW, Burberry, Changi Airport Group, Kate Spade, Michael Kors, National Museum of Singapore, Procter & Gamble Co., TAG Heuer, Under Armour and Valentino, and thematic projects in the region.

The **Alternative Marketing division** posted higher revenue of S$12.7 million in FY 2016, a 9.5% increase compared to S$11.6 million in FY 2015. The key contributors to the division's revenue were from events and projects for clients such as BMW, CPF Board, Health Promotion Board, Jurong Health, StarHub and Sustainable Energy Association of Singapore.

Outlook for 2017 and Beyond

Commenting on the Group's strategies going forward, Mr Cheng said: "The rapid rate of change in the industries we serve demand that we are on our toes and adaptive to their needs. We need to go further. The strong fundamentals we have built over the last 40 years provide us the foundation upon which we intend to extend our solution offerings. We have a bullish view of our business and the opportunities available. We are therefore putting in place plans to meet our long-term business objectives for growth and sustainability."

The **Exhibitions & Thematic** division continues to see opportunities and the line-up of projects and attractions already secured provides a good foundation for the division to continue its momentum.

With its broad range of service offerings and expertise, the **Retail & Corporate Interiors** division is well placed to tap on opportunities in the various segments that it serves, even as it embraces the challenges that come with evolving industry needs.

The Group is cautiously optimistic about the outlook for its various business segments in FY 2017. As at 31 January 2017, the Group has secured contracts of S$106 million, of which S$97 million is expected to be recognised in FY 2017.

In line with the Group's policy of distributing its profits to reward loyal shareholders, the Board is recommending a final dividend of 1.5 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 19 offices and full service facilities serving global clients in Exhibitions & Thematic, Retail & Corporate Interiors, Research & Design, and Alternative Marketing today.

Kingsmen's seamless end-to-end solutions, through its vertically and horizontally integrated service offerings, coupled with its network of offices and partners, provide 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, Chanel, DBS Bank, DFS, FJ Benjamin Group, Gucci, LVMH Group, Ralph Lauren, Resorts World Sentosa, Robinsons Group, Shanghai Disney Resort, TAG Heuer, Tiffany & Co., Universal Studios and Under Armour.

-- END –

For more information, please contact:

Charlene Sng
Manager, Corporate Communications
Kingsmen Creatives Ltd
DID: (65) 683 113 46
Fax: (65) 688 000 38
Email: charlenesng@kingsmen-int.com