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

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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					
		Third Quarter Ended			Nine Months Ended		
	Note	30 Sep 18	30 Sep 17	Change	30 Sep 18	30 Sep 17	Change
		S$'000	S$'000	%	S$'000	S$'000	%
Revenue		91,975	69,101	33.1%	238,800	214,070	11.6%
Cost of sales		(73,235)	(52,717)	38.9%	(184,362)	(162,366)	13.5%
Gross profit		18,740	16,384	14.4%	54,438	51,704	5.3%
Other items of income							
Interest income		100	115	-13.0%	285	315	-9.5%
Other income	(a)	865	776	11.5%	3,361	2,931	14.7%
Other items of expense							
Depreciation of property, plant and equipment		(505)	(485)	4.1%	(1,464)	(1,518)	-3.6%
Employee benefits expense		(13,893)	(12,931)	7.4%	(41,460)	(38,748)	7.0%
Other expenses		(2,870)	(3,028)	-5.2%	(9,079)	(10,248)	-11.4%
Interest expense		(195)	(138)	41.3%	(535)	(407)	31.4%
Share of results of associates		(122)	68	n/m	305	107	185.0%
Profit before tax	(b)	2,120	761	178.6%	5,851	4,136	41.5%
Income tax expense	(c)	(719)	(408)	76.2%	(1,898)	(1,238)	53.3%
Profit net of tax		1,401	353	296.9%	3,953	2,898	36.4%
Other comprehensive loss:							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of tax		(1,058)	(66)	1503.0%	(1,355)	(1,313)	3.2%
Other comprehensive loss for the period, net of tax		(1,058)	(66)	1503.0%	(1,355)	(1,313)	3.2%
Total comprehensive income		343	287	19.5%	2,598	1,585	63.9%
Profit/(loss) net of tax attributable to:							
Equity holders of the Company		1,632	819	99.3%	4,586	3,567	28.6%
Non-controlling interests		(231)	(466)	-50.4%	(633)	(669)	-5.4%
Profit net of tax		1,401	353	296.9%	3,953	2,898	36.4%
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		594	720	-17.5%	3,277	2,232	46.8%
Non-controlling interests		(251)	(433)	-42.0%	(679)	(647)	4.9%
Total comprehensive income		343	287	19.5%	2,598	1,585	63.9%

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			
	Third Quarter Ended		Nine Months Ended	
	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17
	S$'000	S$'000	S$'000	S$'000
Corporate fee income	20	64	428	482
Dividend income from available-for-sale financial asset	-	-	47	80
Net foreign exchange gain	284	-	1,215	-
Net gain on disposal of property, plant and equipment	-	-	-	1
Rental income	263	377	968	1,157
Service income	40	164	311	922
Write-back of impairment loss on doubtful trade receivables	229	-	230	-
Miscellaneous income	29	171	162	289
	865	776	3,361	2,931

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

	Group			
	Third Quarter Ended		Nine Months Ended	
	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17
	S$'000	S$'000	S$'000	S$'000
Amortisation of intangible assets	49	23	146	68
Amortisation of land use right	60	60	182	182
Bad trade debts written off	5	29	5	165
Impairment loss on doubtful trade receivables	113	-	121	-
Net foreign exchange loss	-	260	-	1,264
Net loss on disposal of property, plant and equipment	-	-	30	-
Operating lease expenses	798	942	2,733	2,839
Property, plant and equipment written off	3	-	3	1

(c) Included in income tax expense for the third quarter and nine months ended 30 September 2018 are over-provision of income tax of S$26,000 (3Q 2017: S$165,000) and under-provision of income tax of S$150,000 (9M 2017: over-provision of S$164,000) respectively 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 30 Sep 18	As at 31 Dec 17	As at 1 Jan 17 *	As at 30 Sep 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		6,556	6,738	6,981	6,556	6,738
Property, plant and equipment		47,328	33,536	24,610	24,963	12,553
Intangible assets		8,609	8,637	7,794	-	-
Investments in subsidiaries		-	-	-	29,715	27,715
Investments in associates		6,438	6,333	5,954	3,430	3,430
Other investments		4,355	4,313	4,304	4,355	4,313
Trade and other receivables		134	139	759	-	-
Deferred tax assets		1,049	541	426	93	61
		74,469	60,237	50,828	69,112	54,810
Current assets						
Other investments		-	-	1,014	-	-
Inventories		4,347	1,583	1,607	-	-
Contract assets	(d)	32,913	15,454	23,595	-	-
Trade and other receivables	(e)	103,544	94,407	104,730	7,610	5,841
Other assets		1,442	1,075	1,102	26	94
Cash and cash equivalents	(f)	61,034	73,609	76,155	2,513	3,373
		203,280	186,128	208,203	10,149	9,308
Total assets		277,749	246,365	259,031	79,261	64,118
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the Company						
Share capital		27,984	27,710	27,130	27,984	27,710
Retained earnings		95,133	95,682	91,075	34,374	31,993
Other reserves		(3,631)	(2,468)	(1,379)	1,563	1,563
		119,486	120,924	116,826	63,921	61,266
Non-controlling interests		335	1,126	1,844	-	-
Total equity		119,821	122,050	118,670	63,921	61,266
Non-current liabilities						
Trade and other payables		1,134	1,195	1,245	-	-
Other financial liabilities		15,740	5,468	6,807	11,360	-
Deferred tax liabilities		307	396	374	-	-
		17,181	7,059	8,426	11,360	-
Current liabilities						
Contract liabilities	(g)	15,936	7,330	10,521	-	-
Trade and other payables	(h)	107,703	96,816	110,660	3,135	2,852
Other financial liabilities		11,282	8,465	4,249	845	-
Other liabilities		2,888	2,489	2,607	-	-
Income tax payable		2,938	2,156	3,898	-	-
		140,747	117,256	131,935	3,980	2,852
Total liabilities		157,928	124,315	140,361	15,340	2,852
Total equity and liabilities		277,749	246,365	259,031	79,261	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 Pacific and the Middle East.

(e) **Trade and other receivables**

	Group			Company	
	As at 30 Sep 18	**As at 31 Dec 17**	**As at 1 Jan 17**	**As at 30 Sep 18**	**As at 31 Dec 17**
	S$'000	S$'000	S$'000	S$'000	S$'000
Trade receivables	86,852	85,192	95,816	1,927	1,346
Other receivables	16,692	9,215	8,914	5,683	4,495
Total	103,544	94,407	104,730	7,610	5,841

(f) **Cash and cash equivalents**

	Group			Company	
	As at 30 Sep 18	**As at 31 Dec 17**	**As at 1 Jan 17**	**As at 30 Sep 18**	**As at 31 Dec 17**
	S$'000	S$'000	S$'000	S$'000	S$'000
Cash at banks and in hand	46,268	60,048	60,027	1,427	2,288
Short-term deposits	14,766	13,561	16,128	1,086	1,085
Total	61,034	73,609	76,155	2,513	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 Pacific and the Middle East.

(h) **Trade and other payables**

	Group			Company	
	As at 30 Sep 18	**As at 31 Dec 17**	**As at 1 Jan 17**	**As at 30 Sep 18**	**As at 31 Dec 17**
	S$'000	S$'000	S$'000	S$'000	S$'000
Trade payables	89,935	77,759	89,787	-	-
Other payables	17,768	19,057	20,873	3,135	2,852
Total	107,703	96,816	110,660	3,135	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 30 Sep 18	**As at 31 Dec 17**
	S$'000	S$'000
Secured		
- repayable within one year or on demand	11,282	8,465
- repayable after one year	15,740	5,468
	27,022	13,933
Unsecured		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
	-	-

Details of any collaterals

Bank loans, trust receipts and bank overdrafts 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			
		Third Quarter Ended		Nine Months Ended	
		30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17
		S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities					
Profit before tax		2,120	761	5,851	4,136
Adjustments for:					
Amortisation of intangible assets		49	23	146	68
Amortisation of land use right		60	60	182	182
Bad trade debts written off		5	29	5	165
Depreciation of property, plant and equipment		931	904	1,932	2,498
Dividend income from available-for-sale financial asset		-	-	(47)	(80)
Net loss/(gain) on disposal of property, plant and equipment		-	-	30	(1)
Net write-back of impairment loss on doubtful trade receivables		(116)	-	(109)	-
Performance share scheme expense		-	-	152	7
Property, plant and equipment written off		3	-	3	1
Interest income		(100)	(115)	(285)	(315)
Interest expense		195	138	535	407
Share of results of associates		122	(68)	(305)	(107)
Currency realignment		(79)	(71)	(706)	639
Operating cash flows before changes in working capital		3,190	1,661	7,384	7,600
(Increase)/decrease in:					
Inventories		(2,623)	373	(2,764)	(347)
Contract assets		22	(5,570)	(17,459)	(11,274)
Trade and other receivables		(18,741)	12,127	(9,028)	20,812
Other assets		(374)	(461)	(298)	(219)
Increase/(decrease) in:					
Contract liabilities		4,912	754	8,606	692
Trade and other payables		10,457	(6,352)	9,426	(22,962)
Other liabilities		503	690	521	553
Net cash flows (used in)/from operations		(2,654)	3,222	(3,612)	(5,145)
Interest received		100	115	285	315
Interest paid		(195)	(138)	(535)	(407)
Income tax paid		(337)	(620)	(1,730)	(2,231)
Net cash flows (used in)/from operating activities		(3,086)	2,579	(5,592)	(7,468)
Cash flows from investing activities					
Purchase of property, plant and equipment		(4,564)	(3,281)	(14,482)	(9,472)
Proceeds from disposal of property, plant and equipment		-	136	64	137
Dividend income from available-for-sale financial asset		-	-	5	80
Dividend income from an associate		60	-	60	-
Net cash flows used in investing activities		(4,504)	(3,145)	(14,353)	(9,255)
Cash flows from financing activities					
Dividends paid on ordinary shares		(1,995)	(1,991)	(4,989)	(4,978)
Dividends paid to non-controlling interests of subsidiaries		-	(180)	(112)	(192)
Proceeds from draw down of loans and borrowings		3,835	1,407	19,526	4,031
Repayment of loans and borrowings		(2,921)	(1,967)	(6,751)	(4,089)
Repayment of finance lease obligations		-	(2)	-	(6)
Decrease/(increase) in deposits pledged for bank facilities		344	132	254	(476)
Net cash flows (used in)/from financing activities		(737)	(2,601)	7,928	(5,710)
Net decrease in cash and cash equivalents		(8,327)	(3,167)	(12,017)	(22,433)
Effect of exchange rate changes on cash and cash equivalents		(799)	16	(615)	(1,451)
Cash and cash equivalents at beginning of period		67,567	53,818	71,073	74,551
Cash and cash equivalents at end of period	(i)	58,441	50,667	58,441	50,667

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 30 Sep 18	As at 30 Sep 17
	S$'000	S$'000
Cash at banks and in hand	46,268	41,717
Short-term deposits	14,766	11,030
	61,034	52,747
Less: Bank overdrafts	(311)	-
Less: Deposits pledged for bank facilities	(2,282)	(2,080)
Cash and cash equivalents	58,441	50,667

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	-	2,954	-	2,954	(402)	2,552
Other comprehensive loss						
Foreign currency translation	-	-	(271)	(271)	(26)	(297)
Other comprehensive loss for the period, net of tax	-	-	(271)	(271)	(26)	(297)
Total comprehensive income/(loss) for the period	-	2,954	(271)	2,683	(428)	2,255
Contributions by and distributions to equity holders						
Ordinary shares issued pursuant to performance share scheme	274	-	-	274	-	274
Dividends paid on ordinary shares	-	(2,994)	-	(2,994)	-	(2,994)
Total contributions by and distributions to equity holders	274	(2,994)	-	(2,720)	-	(2,720)
Changes in ownership interests in subsidiaries						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(112)	(112)
Total changes in ownership interests in subsidiaries	-	-	-	-	(112)	(112)
Total transactions with equity holders in their capacity as equity holders	274	(2,994)	-	(2,720)	(112)	(2,832)
Other						
Appropriation to statutory reserve fund	-	(146)	146	-	-	-
Total Other	-	(146)	146	-	-	-
Closing balance at 30 June 2018	27,984	95,496	(2,593)	120,887	586	121,473
Profit/(loss) for the period	-	1,632	-	1,632	(231)	1,401
Other comprehensive loss						
Foreign currency translation	-	-	(1,038)	(1,038)	(20)	(1,058)
Other comprehensive loss for the period, net of tax	-	-	(1,038)	(1,038)	(20)	(1,058)
Total comprehensive income/(loss) for the period	-	1,632	(1,038)	594	(251)	343
Contributions by and distributions to equity holders						
Dividends paid on ordinary shares	-	(1,995)	-	(1,995)	-	(1,995)
Total contributions by and distributions to equity holders	-	(1,995)	-	(1,995)	-	(1,995)
Total transactions with equity holders in their capacity as equity holders	-	(1,995)	-	(1,995)	-	(1,995)
Closing balance at 30 September 2018	27,984	95,133	(3,631)	119,486	335	119,821

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/(loss) for the period	-	2,748	-	2,748	(203)	2,545
Other comprehensive loss						
Foreign currency translation	-	-	(1,236)	(1,236)	(11)	(1,247)
Other comprehensive loss for the period, net of tax	-	-	(1,236)	(1,236)	(11)	(1,247)
Total comprehensive income/(loss) for the period	-	2,748	(1,236)	1,512	(214)	1,298
Contributions by and distributions to equity holders						
Ordinary shares issued pursuant to performance share scheme	580	-	-	580	-	580
Dividends paid on ordinary shares	-	(2,987)	-	(2,987)	-	(2,987)
Total contributions by and distributions to equity holders	580	(2,987)	-	(2,407)	-	(2,407)
Changes in ownership interests in subsidiaries						
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(12)	(12)
Total changes in ownership interests in subsidiaries	-	-	-	-	(12)	(12)
Total transactions with equity holders in their capacity as equity holders	580	(2,987)	-	(2,407)	(12)	(2,419)
Other						
Appropriation to statutory reserve fund	-	(4)	4	-	-	-
Total other	-	(4)	4	-	-	-
Closing balance at 30 June 2017	27,710	90,832	(2,611)	115,931	1,618	117,549
Profit/(loss) for the period	-	819	-	819	(466)	353
Other comprehensive (loss)/income						
Foreign currency translation	-	-	(99)	(99)	33	(66)
Other comprehensive (loss)/income for the period, net of tax	-	-	(99)	(99)	33	(66)
Total comprehensive income/(loss) for the period	-	819	(99)	720	(433)	287
Contributions by and distributions to equity holders						
Dividends paid on ordinary shares	-	(1,991)	-	(1,991)	-	(1,991)
Total contributions by and distributions to equity holders	-	(1,991)	-	(1,991)	-	(1,991)
Changes in ownership interests in subsidiaries						
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(180)	(180)
Total changes in ownership interests in subsidiaries	-	-	-	-	(180)	(180)
Total transactions with equity holders in their capacity as equity holders	-	(1,991)	-	(1,991)	(180)	(2,171)
Closing balance at 30 September 2017	27,710	89,660	(2,710)	114,660	1,005	115,665

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	-	6,172	-	6,172
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	6,172	-	6,172
Contributions by and distributions to equity holders				
Ordinary shares issued pursuant to performance share scheme	274	-	-	274
Dividends paid on ordinary shares	-	(2,994)	-	(2,994)
Total contributions by and distributions to equity holders	274	(2,994)	-	(2,720)
Total transactions with equity holders in their capacity as equity holders	274	(2,994)	-	(2,720)
Closing balance at 30 June 2018	27,984	35,171	1,563	64,718
Profit for the period	-	1,198	-	1,198
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	1,198	-	1,198
Contributions by and distributions to equity holders				
Dividends paid on ordinary shares	-	(1,995)	-	(1,995)
Total contributions by and distributions to equity holders	-	(1,995)	-	(1,995)
Total transactions with equity holders in their capacity as equity holders	-	(1,995)	-	(1,995)
Closing balance at 30 September 2018	27,984	34,374	1,563	63,921
Opening balance at 1 January 2017	27,130	27,812	1,554	56,496
Profit for the period	-	5,258	-	5,258
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	5,258	-	5,258
Contributions by and distributions to equity holders				
Ordinary shares issued pursuant to performance share scheme	580	-	-	580
Dividends paid on ordinary shares	-	(2,987)	-	(2,987)
Total contributions by and distributions to equity holders	580	(2,987)	-	(2,407)
Total transactions with equity holders in their capacity as equity holders	580	(2,987)	-	(2,407)
Closing balance at 30 June 2017	27,710	30,083	1,554	59,347
Profit for the period	-	3,782	-	3,782
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,782	-	3,782
Contributions by and distributions to equity holders				
Dividends paid on ordinary shares	-	(1,991)	-	(1,991)
Total contributions by and distributions to equity holders	-	(1,991)	-	(1,991)
Total transactions with equity holders in their capacity as equity holders	-	(1,991)	-	(1,991)
Closing balance at 30 September 2017	27,710	31,874	1,554	61,138

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 30 September 2018.

There were no outstanding convertibles issued by the Company as at 30 September 2018 and 30 September 2017.

There were no treasury shares held by the Company as at 30 September 2018 and 30 September 2017. There were no subsidiary holdings as at 30 September 2018 and 30 September 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 199,575,261 and 199,107,061 as at 30 September 2018 and 30 September 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 30 Sep 18	**As at 31 Dec 17**
Total number of issued shares excluding treasury shares	199,575,261	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 30 September 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 30 September 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			
	Third Quarter Ended		Nine Months Ended	
	30 Sep 18	30 Sep 17	30 Sep 18	30 Sep 17
Net profit attributable to shareholders (S$'000)	1,632	819	4,586	3,567
Weighted average number of ordinary shares in issue	199,575,261	199,107,061	199,359,169	198,668,165
Basic and diluted earnings per share (S$ cents)	0.82	0.41	2.30	1.80

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2018 and 30 September 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 30 Sep 18	As at 31 Dec 17	As at 30 Sep 18	As at 31 Dec 17
Net asset value, net of non-controlling interests (S$'000)	119,486	120,924	63,921	61,266
Number of ordinary shares in issue, excluding treasury shares	199,575,261	199,107,061	199,575,261	199,107,061
Net asset value per ordinary share (S$ cents)	59.87	60.73	32.03	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					
	Third Quarter Ended			Nine Months Ended		
	30 Sep 18	30 Sep 17	+/-	30 Sep 18	30 Sep 17	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Exhibitions & Thematic	38,365	32,318	18.7%	103,436	91,746	12.7%
Retail & Corporate Interiors	47,991	30,550	57.1%	117,919	104,577	12.8%
Research & Design	3,037	3,174	-4.3%	10,374	9,819	5.7%
Alternative Marketing	2,582	3,059	-15.6%	7,071	7,928	-10.8%
	91,975	69,101	33.1%	238,800	214,070	11.6%

For the third quarter ended 30 September 2018 ("3Q 2018"), the Group recorded a revenue of S$92.0 million, an increase of S$22.9 million or 33.1% compared to S$69.1 million for the previous corresponding quarter ended 30 September 2017 ("3Q 2017"). This brought revenue for the nine months ended 30 September 2018 ("9M 2018") to S$238.8 million, an increase of S$24.7 million or 11.6% compared to S$214.1 million for the previous corresponding nine months ended 30 September 2017 ("9M 2017").

The **Exhibitions & Thematic division** registered a revenue of S$103.4 million in 9M 2018, an increase of S$11.7 million or 12.7% from S$91.7 million in 9M 2017. In 3Q 2018, the division's revenue was S$38.4 million, an increase of S$6.0 million or 18.7% from S$32.4 million recorded in 3Q 2017. The increase in revenue was due to the completion of several major events and projects in 9M 2018. The key contributors to the division's revenue included major events and projects such as Buds by Shangri-La Singapore, Food & Hotel Asia 2018, Formula 1 Singapore Grand Prix, National Day Parade 2018, Shenzhen Binhai Tencent Exhibition Centre, Singapore Airshow 2018, TFWA Asia Pacific Exhibition & Conference 2018, Vinexpo Hong Kong 2018 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S$117.9 million in 9M 2018, an increase of S$13.3 million or 12.8% compared to S$104.6 million in 9M 2017. In 3Q 2018, the division's revenue was S$48.0 million, an increase of S$17.4 million or 57.1% compared to S$30.6 million in 3Q 2017. The increase in revenue was due to the contribution from several key projects in 9M 2018. The key accounts which contributed to the division's revenue included clients and brand names such as AIA, Bottega Veneta, Coach, Fendi, Hanoi French Hospital, Nike, Singtel, Tiffany & Co., Van Cleef & Arpels and YATA.

The **Research & Design division** achieved a revenue of S$10.4 million in 9M 2018, an increase of S$0.6 million or 5.7% from S$9.8 million in 9M 2017. In 3Q 2018, the division's revenue was S$3.0 million, a decrease of S$0.1 million or 4.3% from S$3.1 million recorded in 3Q 2017. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Procter & Gamble Co., TAG Heuer, Tencent and Valentino, and thematic projects in the region.

The **Alternative Marketing division** registered a revenue of S$7.1 million in 9M 2018, a decrease of S$0.9 million or 10.8% compared to S$8.0 million in 9M 2017. In 3Q 2018, the division's revenue was S$2.6 million, a decrease of S$0.5 million or 15.6% compared to S$3.1 million in 3Q 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, IPI Singapore, Robinson, Samsonite and Sustainable Energy Association of Singapore.

(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)

Gross Profit

	Group					
	Third Quarter Ended			Nine Months Ended		
	30 Sep 18	30 Sep 17	+/-	30 Sep 18	30 Sep 17	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	91,975	69,101	33.1%	238,800	214,070	11.6%
Gross profit	18,740	16,384	14.4%	54,438	51,704	5.3%
Gross profit margin	20.4%	23.7%		22.8%	24.2%	

Gross profit in 9M 2018 increased by S$2.7 million or 5.3% to S$54.4 million compared to S$51.7 million in 9M 2017. Gross profit was higher at S$18.7 million in 3Q 2018, an increase of S$2.4 million or 14.4% from S$16.3 million in 3Q 2017. The gross profit registered was due to higher revenue recorded but at a lower gross profit margin of 22.8% in 9M 2018 compared to 24.2% in 9M 2017 and 20.4% in 3Q 2018 compared to 23.7% in 3Q 2017.

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					
	Third Quarter Ended			Nine Months Ended		
	30 Sep 18	30 Sep 17	+/-	30 Sep 18	30 Sep 17	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Depreciation of property, plant and equipment	505	485	4.1%	1,464	1,518	-3.6%
Employee benefits expense	13,893	12,931	7.4%	41,460	38,748	7.0%
Other expenses	2,870	3,028	-5.2%	9,079	10,248	-11.4%
Interest expense	195	138	41.3%	535	407	31.4%
	17,463	**16,582**	**5.3%**	**52,538**	**50,921**	**3.2%**

Higher operating expenses were incurred in 9M 2018 and 3Q 2018 compared to 9M 2017 and 3Q 2017 respectively. The movement in depreciation charge on property, plant and equipment was mainly as a result of fully depreciated assets of which no further depreciation charge was recorded and depreciation charge incurred on the new headquarters building and related equipment which commenced use from September 2018. The increase in employee benefits expense was mainly due to higher cost resulting from increased headcount and average wage, and higher performance linked incentives recorded. Other expenses were lower mainly due to a net foreign exchange loss of S$1.3 million and S$0.3 million recorded in 9M 2017 and 3Q 2017 respectively compared to a net foreign exchange gain of S$1.2 million and S$0.3 million recorded in other income in 9M 2018 and 3Q 2018 respectively. This arose mainly from the depreciation of the Singapore Dollar against the various currencies that the Group conducted its operations in, in particular the United States Dollar. The increase in interest expense was mainly due to a higher amount of loans and borrowings outstanding in 9M 2018 compared to 9M 2017.

Share of Results of Associates

Share of results of associates increased by S$0.2 million from a profit of S$0.1 million in 9M 2017 to a profit of S$0.3 million in 9M 2018 and decreased by S$0.2 million from a profit of S$0.1 million in 3Q 2017 to a loss of S$0.1 million in 3Q 2018. The changes were mainly due to movements in profit and loss contribution of the associates.

(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)

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$1.0 million or 28.6% from S$3.6 million in 9M 2017 to S$4.6 million in 9M 2018. Profit net of tax attributable to equity holders of the Company increased by S$0.8 million or 99.3% from S$0.8 million in 3Q 2017 to S$1.6 million in 3Q 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$5.6 million and S$3.1 million in 9M 2018 and 3Q 2018 respectively arose mainly from cash outflow from a net increase in working capital requirements of S$11.0 million in 9M 2018 and S$5.8 million in 3Q 2018 (largely from movements in inventories, contract assets, trade and other receivables, contract liabilities and trade and other payables). Net cash used in investing activities of S$14.3 million and S$4.5 million in 9M 2018 and 3Q 2018 respectively comprised mainly of purchase of property, plant and equipment. Net cash from financing activities of S$7.9 million in 9M 2018 and net cash used in financing activities of S$0.7 million in 3Q 2018 arose mainly from net proceeds from loans and borrowings and dividends paid on ordinary shares. Based on the above, the Group had a net decrease in cash and cash equivalents of S$12.0 million and S$8.3 million in 9M 2018 and 3Q 2018 respectively. The cash and cash equivalents stood at S$58.4 million as at 30 September 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 8 August 2018, the Group stated that, barring unforeseen circumstances, it expects FY2018 to be a profitable year. The 3Q 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 continues to see good opportunities for it to grow and is actively expanding its customer base in the exhibition, event, museum and thematic industries across Asia Pacific and the Middle East.

The Retail & Corporate Interiors division will continue to enhance and expand its capabilities, offering targeted solutions to meet the evolving needs of its clients in the retail, hospitality, corporate interior, food & beverage and mall public area segments.

As consumer preferences and needs gravitate towards unique and engaging experiences, the Group will continue to invest and strengthen its capabilities and offerings as it expands its reach and presence in the market. As at 31 October 2018, the Group has secured contracts of S$403 million, of which S$345 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 30 September 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 30 September 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 30 September 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

8 November 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

8 November 2018