

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**
**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.**

Note	Group					
	Third Quarter Ended			Nine Months Ended		
	30 Sep 19 S\$'000	30 Sep 18 S\$'000	Change %	30 Sep 19 S\$'000	30 Sep 18 S\$'000	Change %
<b>Revenue</b>	90,847	91,975	-1.2%	263,689	238,800	10.4%
Cost of sales	(71,543)	(73,235)	-2.3%	(205,626)	(184,362)	11.5%
<b>Gross profit</b>	19,304	18,740	3.0%	58,063	54,438	6.7%
<b>Other items of income</b>						
Interest income	158	100	58.0%	457	285	60.4%
Other income (a)	1,124	865	29.9%	2,897	3,361	-13.8%
<b>Other items of expense</b>						
Depreciation of property, plant and equipment	(804)	(505)	59.2%	(2,394)	(1,464)	63.5%
Employee benefits expense	(14,703)	(13,893)	5.8%	(43,111)	(41,460)	4.0%
Other expenses	(4,422)	(2,870)	54.1%	(11,590)	(9,079)	27.7%
Interest expense	(362)	(195)	85.6%	(1,096)	(535)	104.9%
Share of result of joint venture	155	-	n/m	182	-	n/m
Share of results of associates	(42)	(122)	-65.6%	68	305	-77.7%
<b>Profit before tax</b> (b)	408	2,120	-80.8%	3,476	5,851	-40.6%
Income tax expense (c)	(563)	(719)	-21.7%	(1,835)	(1,898)	-3.3%
<b>(Loss)/profit net of tax</b>	(155)	1,401	n/m	1,641	3,953	-58.5%
<b>Other comprehensive loss:</b>						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations, net of tax	(152)	(1,058)	-85.6%	(675)	(1,355)	-50.2%
<b>Other comprehensive loss for the period, net of tax</b>	(152)	(1,058)	-85.6%	(675)	(1,355)	-50.2%
<b>Total comprehensive (loss)/income</b>	(307)	343	n/m	966	2,598	-62.8%
<b>Profit/(loss) net of tax attributable to:</b>						
Equity holders of the Company	115	1,632	-93.0%	1,889	4,586	-58.8%
Non-controlling interests	(270)	(231)	16.9%	(248)	(633)	-60.8%
<b>(Loss)/profit net of tax</b>	(155)	1,401	n/m	1,641	3,953	-58.5%
<b>Total comprehensive (loss)/income attributable to:</b>						
Equity holders of the Company	(70)	594	n/m	1,171	3,277	-64.3%
Non-controlling interests	(237)	(251)	-5.6%	(205)	(679)	-69.8%
<b>Total comprehensive (loss)/income</b>	(307)	343	n/m	966	2,598	-62.8%

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 :-

	<b>Group</b>			
	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 Sep 19</b>	<b>30 Sep 18</b>	<b>30 Sep 19</b>	<b>30 Sep 18</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Bad trade debts recovered	-	-	56	-
Corporate fee income	83	20	463	428
Dividend income from equity instrument at fair value through other comprehensive income	-	-	105	47
Net foreign exchange gain	463	284	493	1,215
Net gain on disposal of property, plant and equipment	-	-	20	-
Rental income	493	263	1,253	968
Service income	-	40	-	190
Write-back of impairment loss on doubtful trade receivables	2	229	190	230
Miscellaneous income	83	29	317	283
	<b>1,124</b>	<b>865</b>	<b>2,897</b>	<b>3,361</b>

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

	<b>Group</b>			
	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30 Sep 19</b>	<b>30 Sep 18</b>	<b>30 Sep 19</b>	<b>30 Sep 18</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	49	49	147	146
Amortisation of land use right	60	60	182	182
Bad trade debts written off	6	5	13	5
Depreciation of right-of-use assets	822	-	2,620	-
Impairment loss on doubtful trade receivables	644	113	722	121
Loss on deemed acquisition of interest in an associate	-	-	55	-
Net loss on disposal of property, plant and equipment	-	-	-	30
Operating lease expenses	-	798	-	2,733
Property, plant and equipment written off	-	3	85	3

(c) Included in income tax expense for the third quarter and nine months ended 30 September 2019 are over-provision of income tax of S\$111,000 (3Q 2018: S\$26,000) and under-provision of income tax of S\$3,000 (9M 2018: S\$150,000) 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.**

		Group		Company	
	Note	As at 30 Sep 19	As at 31 Dec 18	As at 30 Sep 19	As at 31 Dec 18
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Land use right		6,313	6,495	6,313	6,495
Property, plant and equipment		53,265	48,580	24,989	25,781
Right-of-use assets *		9,427	-	6	-
Intangible assets		8,470	8,539	-	-
Investments in subsidiaries		-	-	31,736	30,819
Investment in joint venture		425	232	-	-
Investments in associates		6,055	6,162	3,430	3,430
Other investments		2,529	2,529	2,529	2,529
Trade and other receivables		155	134	-	-
Deferred tax assets		1,013	722	-	-
		<u>87,652</u>	<u>73,393</u>	<u>69,003</u>	<u>69,054</u>
<b>Current assets</b>					
Inventories		3,165	4,169	-	-
Contract assets	(d)	37,504	25,924	-	-
Trade and other receivables	(e)	98,051	108,748	6,957	6,302
Other assets		2,100	1,962	7	102
Cash and cash equivalents	(f)	58,101	79,757	7,276	10,563
		<u>198,921</u>	<u>220,560</u>	<u>14,240</u>	<u>16,967</u>
<b>Total assets</b>		<u>286,573</u>	<u>293,953</u>	<u>83,243</u>	<u>86,021</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital		29,191	27,984	29,191	27,984
Retained earnings		95,281	98,631	33,423	34,892
Other reserves		(6,628)	(5,393)	(263)	(263)
		<u>117,844</u>	<u>121,222</u>	<u>62,351</u>	<u>62,613</u>
Non-controlling interests		(447)	177	-	-
<b>Total equity</b>		<u>117,397</u>	<u>121,399</u>	<u>62,351</u>	<u>62,613</u>
<b>Non-current liabilities</b>					
Trade and other payables		1,202	1,147	-	-
Other financial liabilities		20,662	22,510	17,666	18,425
Lease liabilities *		7,712	-	2	-
Deferred tax liabilities		478	377	57	56
		<u>30,054</u>	<u>24,034</u>	<u>17,725</u>	<u>18,481</u>
<b>Current liabilities</b>					
Contract liabilities	(g)	15,759	10,305	-	-
Trade and other payables	(h)	98,206	119,642	1,927	3,687
Other financial liabilities		14,030	13,165	1,167	1,240
Lease liabilities *		2,395	-	4	-
Other liabilities		5,800	1,670	-	-
Income tax payable		2,932	3,738	69	-
		<u>139,122</u>	<u>148,520</u>	<u>3,167</u>	<u>4,927</u>
<b>Total liabilities</b>		<u>169,176</u>	<u>172,554</u>	<u>20,892</u>	<u>23,408</u>
<b>Total equity and liabilities</b>		<u>286,573</u>	<u>293,953</u>	<u>83,243</u>	<u>86,021</u>

\* The right-of-use assets and lease liabilities arose as a result of the adoption of Singapore Financial Reporting Standard (International) 16 Leases on 1 January 2019 as described under paragraph 5 below.

**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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sep 19</b>	<b>As at 31 Dec 18</b>	<b>As at 30 Sep 19</b>	<b>As at 31 Dec 18</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Trade receivables	79,117	96,078	1,645	1,300
Other receivables	18,934	12,670	5,312	5,002
<b>Total</b>	<b>98,051</b>	<b>108,748</b>	<b>6,957</b>	<b>6,302</b>

**(f) Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sep 19</b>	<b>As at 31 Dec 18</b>	<b>As at 30 Sep 19</b>	<b>As at 31 Dec 18</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash at banks and in hand	42,472	59,170	2,524	2,973
Short-term deposits	15,629	20,587	4,752	7,590
<b>Total</b>	<b>58,101</b>	<b>79,757</b>	<b>7,276</b>	<b>10,563</b>

**(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**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sep 19</b>	<b>As at 31 Dec 18</b>	<b>As at 30 Sep 19</b>	<b>As at 31 Dec 18</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Trade payables	84,042	96,228	-	-
Other payables	14,164	23,414	1,927	3,687
<b>Total</b>	<b>98,206</b>	<b>119,642</b>	<b>1,927</b>	<b>3,687</b>

**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.

	<b>Group</b>	
	<b>As at 30 Sep 19</b> S\$'000	<b>As at 31 Dec 18</b> S\$'000
<b><u>Secured</u></b>		
- repayable within one year or on demand	14,030	13,165
- repayable after one year	20,662	22,510
	<b>34,692</b>	<b>35,675</b>
<b><u>Unsecured</u></b>		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
	<b>-</b>	<b>-</b>

#### **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.

Finance lease liabilities are secured by the right to the motor vehicles.

**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 19 S\$'000	30 Sep 18 S\$'000	30 Sep 19 S\$'000	30 Sep 18 S\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	408	2,120	3,476	5,851
Adjustments for:				
Amortisation of intangible assets	49	49	147	146
Amortisation of land use right	60	60	182	182
Bad trade debts written off	6	5	13	5
Depreciation of property, plant and equipment	1,010	931	3,006	1,932
Depreciation of right-of-use assets	822	-	2,620	-
Dividend income from equity instrument at fair value through other comprehensive income	-	-	(105)	(47)
Loss on deemed acquisition of interest in an associate	-	-	55	-
Net (gain)/loss on disposal of property, plant and equipment	-	-	(20)	30
Net impairment loss/(write-back of impairment loss) on doubtful trade receivables	642	(116)	532	(109)
Performance share scheme expense	83	-	177	152
Property, plant and equipment written off	-	3	85	3
Interest income	(158)	(100)	(457)	(285)
Interest expense	362	195	1,096	535
Share of result of joint venture	(155)	-	(182)	-
Share of results of associates	42	122	(68)	(305)
Currency realignment	(365)	(79)	(399)	(706)
<b>Operating cash flows before changes in working capital</b>	<b>2,806</b>	<b>3,190</b>	<b>10,158</b>	<b>7,384</b>
(Increase)/decrease in:				
Inventories	(8)	(2,623)	1,004	(2,764)
Contract assets	(6,119)	22	(11,580)	(17,459)
Trade and other receivables	(8,389)	(18,741)	10,131	(9,028)
Other assets	687	(374)	(113)	(298)
Increase/(decrease) in:				
Contract liabilities	1,592	4,912	5,454	8,606
Trade and other payables	1,870	10,457	(21,906)	9,426
Other liabilities	3,218	503	4,241	521
<b>Net cash flows used in operations</b>	<b>(4,343)</b>	<b>(2,654)</b>	<b>(2,611)</b>	<b>(3,612)</b>
Interest received	158	100	457	285
Interest paid	(277)	(195)	(893)	(535)
Income tax paid	(290)	(337)	(2,970)	(1,730)
<b>Net cash flows used in operating activities</b>	<b>(4,752)</b>	<b>(3,086)</b>	<b>(6,017)</b>	<b>(5,592)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(3,283)	(4,564)	(7,214)	(14,482)
Proceeds from disposal of property, plant and equipment	-	-	37	64
Dividend income from equity instrument at fair value through other comprehensive income	-	-	105	5
Dividend income from an associate	-	60	-	60
<b>Net cash flows used in investing activities</b>	<b>(3,283)</b>	<b>(4,504)</b>	<b>(7,072)</b>	<b>(14,353)</b>
<b>Cash flows from financing activities</b>				
Dividends paid on ordinary shares	(2,020)	(1,995)	(5,049)	(4,989)
Dividends paid to non-controlling interests of subsidiaries	-	-	(30)	(112)
Proceeds from draw down of loans and borrowings	4,142	3,835	10,123	19,526
Repayment of loans and borrowings	(4,329)	(2,921)	(11,510)	(6,751)
Repayment of finance lease liabilities	(4)	-	(6)	-
Repayment of lease liabilities	(605)	-	(2,316)	-
Decrease in deposits pledged for bank facilities	-	344	1,042	254
<b>Net cash flows (used in)/from financing activities</b>	<b>(2,816)</b>	<b>(737)</b>	<b>(7,746)</b>	<b>7,928</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,851)</b>	<b>(8,327)</b>	<b>(20,835)</b>	<b>(12,017)</b>
Effect of exchange rate changes on cash and cash equivalents	110	(799)	(160)	(615)
Cash and cash equivalents at beginning of period	67,254	67,567	77,508	71,073
<b>Cash and cash equivalents at end of period</b>	<b>56,513</b>	<b>58,441</b>	<b>56,513</b>	<b>58,441</b>

**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 19 S\$'000	As at 30 Sep 18 S\$'000
Cash at banks and in hand	42,472	46,268
Short-term deposits	15,629	14,766
	<b>58,101</b>	<b>61,034</b>
Less: Bank overdrafts	(381)	(311)
Less: Deposits pledged for bank facilities	(1,207)	(2,282)
Cash and cash equivalents	<b>56,513</b>	<b>58,441</b>

**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
<b>Opening balance at 1 January 2019, as previously reported</b>	27,984	98,631	(5,393)	121,222	177	121,399
Effect of adopting SFRS(I) 16	-	(176)	-	(176)	(3)	(179)
<b>Opening balance at 1 January 2019, as restated</b>	27,984	98,455	(5,393)	121,046	174	121,220
Profit for the period	-	1,774	-	1,774	22	1,796
<u>Other comprehensive (loss)/income</u>						
Foreign currency translation	-	-	(533)	(533)	10	(523)
Other comprehensive (loss)/income for the period, net of tax	-	-	(533)	(533)	10	(523)
<b>Total comprehensive income/(loss) for the period</b>	-	1,774	(533)	1,241	32	1,273
<u>Contributions by and distributions to equity holders</u>						
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	917	-	-	917	-	917
Ordinary shares issued pursuant to performance share scheme	290	-	-	290	-	290
Dividends paid on ordinary shares	-	(3,029)	-	(3,029)	-	(3,029)
<b>Total contributions by and distributions to equity holders</b>	1,207	(3,029)	-	(1,822)	-	(1,822)
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interest of a subsidiary without a change in control	-	-	(531)	(531)	(386)	(917)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(30)	(30)
<b>Total changes in ownership interests in subsidiaries</b>	-	-	(531)	(531)	(416)	(947)
<b>Total transactions with equity holders in their capacity as equity holders</b>	1,207	(3,029)	(531)	(2,353)	(416)	(2,769)
<b>Closing balance at 30 June 2019</b>	29,191	97,200	(6,457)	119,934	(210)	119,724
Profit/(loss) for the period	-	115	-	115	(270)	(155)
<u>Other comprehensive (loss)/income</u>						
Foreign currency translation	-	-	(185)	(185)	33	(152)
Other comprehensive (loss)/income for the period, net of tax	-	-	(185)	(185)	33	(152)
<b>Total comprehensive income/(loss) for the period</b>	-	115	(185)	(70)	(237)	(307)
<u>Contributions by and distributions to equity holders</u>						
Dividends paid on ordinary shares	-	(2,020)	-	(2,020)	-	(2,020)
<b>Total contributions by and distributions to equity holders</b>	-	(2,020)	-	(2,020)	-	(2,020)
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	(2,020)	-	(2,020)	-	(2,020)
<u>Other</u>						
Appropriation to statutory reserve fund	-	(14)	14	-	-	-
<b>Total other</b>	-	(14)	14	-	-	-
<b>Closing balance at 30 September 2019</b>	29,191	95,281	(6,628)	117,844	(447)	117,397

**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
<b>Opening balance at 1 January 2018, as previously reported</b>	27,710	97,507	(4,293)	120,924	1,126	122,050
Effect of adopting SFRS(I)	-	(1,825)	1,825	-	-	-
<b>Opening balance at 1 January 2018, as restated</b>	27,710	95,682	(2,468)	120,924	1,126	122,050
Profit/(loss) for the period	-	2,954	-	2,954	(402)	2,552
<u>Other comprehensive loss</u>						
Foreign currency translation	-	-	(271)	(271)	(26)	(297)
Other comprehensive loss for the period, net of tax	-	-	(271)	(271)	(26)	(297)
<b>Total comprehensive income/(loss) for the period</b>	-	2,954	(271)	2,683	(428)	2,255
<u>Contributions by and distributions to equity holders</u>						
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)
<u>Changes in ownership interests in subsidiaries</u>						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(112)	(112)
Total changes in ownership interests in subsidiaries	-	-	-	-	(112)	(112)
<b>Total transactions with equity holders in their capacity as equity holders</b>	274	(2,994)	-	(2,720)	(112)	(2,832)
<u>Other</u>						
Appropriation to statutory reserve fund	-	(146)	146	-	-	-
<b>Total other</b>	-	(146)	146	-	-	-
<b>Closing balance at 30 June 2018</b>	27,984	95,496	(2,593)	120,887	586	121,473
Profit/(loss) for the period	-	1,632	-	1,632	(231)	1,401
<u>Other comprehensive loss</u>						
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)
<b>Total comprehensive income/(loss) for the period</b>	-	1,632	(1,038)	594	(251)	343
<u>Contributions by and distributions to equity holders</u>						
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)
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	(1,995)	-	(1,995)	-	(1,995)
<b>Closing balance at 30 September 2018</b>	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)**

Company	Attributable to equity holders of the Company			
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
<b>Opening balance at 1 January 2019, as previously reported</b>	27,984	34,892	(263)	62,613
Effect of adopting SFRS(I) 16	-	(6)	-	(6)
<b>Opening balance at 1 January 2019, as restated</b>	27,984	34,886	(263)	62,607
Profit for the period	-	3,534	-	3,534
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	3,534	-	3,534
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	917	-	-	917
Ordinary shares issued pursuant to performance share scheme	290	-	-	290
Dividends paid on ordinary shares	-	(3,029)	-	(3,029)
Total contributions by and distributions to equity holders	1,207	(3,029)	-	(1,822)
<b>Total transactions with equity holders in their capacity as equity holders</b>	1,207	(3,029)	-	(1,822)
<b>Closing balance at 30 June 2019</b>	29,191	35,391	(263)	64,319
Profit for the period	-	52	-	52
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	52	-	52
<u>Contributions by and distributions to equity holders</u>				
Dividends paid on ordinary shares	-	(2,020)	-	(2,020)
Total contributions by and distributions to equity holders	-	(2,020)	-	(2,020)
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	(2,020)	-	(2,020)
<b>Closing balance at 30 September 2019</b>	29,191	33,423	(263)	62,351
<b>Opening balance at 1 January 2018</b>	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	-	-	-	-
<b>Total comprehensive income for the period</b>	-	6,172	-	6,172
<u>Contributions by and distributions to equity holders</u>				
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)
<b>Total transactions with equity holders in their capacity as equity holders</b>	274	(2,994)	-	(2,720)
<b>Closing balance at 30 June 2018</b>	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	-	-	-	-
<b>Total comprehensive income for the period</b>	-	1,198	-	1,198
<u>Contributions by and distributions to equity holders</u>				
Dividends paid on ordinary shares	-	(1,995)	-	(1,995)
Total contributions by and distributions to equity holders	-	(1,995)	-	(1,995)
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	(1,995)	-	(1,995)
<b>Closing balance at 30 September 2018</b>	27,984	34,374	1,563	63,921

- 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 2019.

There were no outstanding convertibles issued by the Company as at 30 September 2019 and 30 September 2018.

There were no treasury shares held by the Company as at 30 September 2019 and 30 September 2018. There were no subsidiary holdings as at 30 September 2019 and 30 September 2018. 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 201,948,299 and 199,575,261 as at 30 September 2019 and 30 September 2018 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.**

	<b>Company</b>	
	<b>As at 30 Sep 19</b>	<b>As at 31 Dec 18</b>
Total number of issued shares excluding treasury shares	201,948,299	199,575,261

- 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 2019.

- 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 2019.

- 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 2018.

**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 and the Company have adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the accounting periods beginning on or after 1 January 2019. Other than the effects of SFRS(I) 16 Leases as described below, the adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current reporting period.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019 and will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. Under SFRS(I) 16, a lessee will recognise an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset) and a liability to make a lease payment (i.e. lease liability). The lessee will be required to separately recognise the depreciation expense on the right-of-use asset and the interest expense on the lease liability.

The Group and the Company adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach, with no restatement of comparative information. The cumulative effect of adopting SFRS(I) 16 has been recognised as an adjustment to the opening balance of retained earnings on 1 January 2019.

**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 19	30 Sep 18	30 Sep 19	30 Sep 18
Net profit attributable to shareholders (S\$'000)	115	1,632	1,889	4,586
Weighted average number of ordinary shares in issue	201,948,299	199,575,261	201,385,825	199,359,169
Basic and diluted earnings per share (S\$ cents)	0.06	0.82	0.94	2.30

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2019 and 30 September 2018.

**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 19	As at 31 Dec 18	As at 30 Sep 19	As at 31 Dec 18
Net asset value, net of non-controlling interests (S\$'000)	117,844	121,222	62,351	62,613
Number of ordinary shares in issue, excluding treasury shares	201,948,299	199,575,261	201,948,299	199,575,261
Net asset value per ordinary share (S\$ cents)	58.35	60.74	30.87	31.37

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 19	30 Sep 18	+/-	30 Sep 19	30 Sep 18	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Exhibitions & Thematic	41,777	38,365	8.9%	124,919	103,436	20.8%
Retail & Corporate Interiors	43,523	47,991	-9.3%	122,803	117,919	4.1%
Research & Design	3,826	3,037	26.0%	11,958	10,374	15.3%
Alternative Marketing	1,721	2,582	-33.3%	4,009	7,071	-43.3%
	<u>90,847</u>	<u>91,975</u>	-1.2%	<u>263,689</u>	<u>238,800</u>	10.4%

For the third quarter ended 30 September 2019 ("3Q 2019"), the Group recorded a revenue of S\$90.9 million, a decrease of S\$1.1 million or 1.2% compared to S\$92.0 million for the previous corresponding quarter ended 30 September 2018 ("3Q 2018"). This brought revenue for the nine months ended 30 September 2019 ("9M 2019") to S\$263.7 million, an increase of S\$24.9 million or 10.4% compared to S\$238.8 million for the previous corresponding nine months ended 30 September 2018 ("9M 2018").

The **Exhibitions & Thematic division** registered a revenue of S\$124.9 million in 9M 2019, an increase of S\$21.5 million or 20.8% from S\$103.4 million in 9M 2018. In 3Q 2019, the division's revenue was S\$41.8 million, an increase of S\$3.4 million or 8.9% from S\$38.4 million recorded in 3Q 2018. The key contributors to the division's revenue included major events and projects such as Changi Experience Studio, Formula 1 Singapore Grand Prix, Money 2020 Asia 2019, National Day Parade 2019, Shenzhen Binhai Tencent Exhibition Centre, Singapore Bicentennial Event, SMBC Singapore Open 2019, TFWA Asia Pacific Exhibition & Conference 2019 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S\$122.8 million in 9M 2019, an increase of S\$4.9 million or 4.1% compared to S\$117.9 million in 9M 2018. In 3Q 2019, the division's revenue was S\$43.5 million, a decrease of S\$4.5 million or 9.3% compared to S\$48.0 million in 3Q 2018. The key accounts which contributed to the division's revenue included clients and brand names such as Coach, Don Don Donki, Fendi, Kate Spade, Lululemon, Michael Kors, Mikimoto, Tiffany & Co. and Van Cleef & Arpels.

The **Research & Design division** achieved a revenue of S\$12.0 million in 9M 2019, an increase of S\$1.6 million or 15.3% from S\$10.4 million in 9M 2018. In 3Q 2019, the division's revenue was S\$3.8 million, an increase of S\$0.8 million or 26.0% from S\$3.0 million recorded in 3Q 2018. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Gucci, National Heritage Board, Procter & Gamble Co. and TAG Heuer, and thematic projects in the region.

The **Alternative Marketing division** registered a revenue of S\$4.0 million in 9M 2019, a decrease of S\$3.1 million or 43.3% compared to S\$7.1 million in 9M 2018. In 3Q 2019, the division's revenue was S\$1.7 million, a decrease of S\$0.9 million or 33.3% compared to S\$2.6 million in 3Q 2018. The key contributors to the division's revenue included events and projects from clients such as Automobile Association of Singapore, National Council on Problem Gambling, Robinson and Singapore Cruise Centre.

- (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 19 S\$'000	30 Sep 18 S\$'000	+/- %	30 Sep 19 S\$'000	30 Sep 18 S\$'000	+/- %
Revenue	90,847	91,975	-1.2%	263,689	238,800	10.4%
Gross profit	19,304	18,740	3.0%	58,063	54,438	6.7%
Gross profit margin	21.2%	20.4%		22.0%	22.8%	

Gross profit in 9M 2019 increased by S\$3.6 million or 6.7% to S\$58.0 million compared to S\$54.4 million in 9M 2018. The gross profit registered was due to higher revenue recorded but at a lower gross profit margin of 22.0% in 9M 2019 compared to 22.8% in 9M 2018. Gross profit was higher at S\$19.3 million in 3Q 2019, an increase of S\$0.6 million or 3.0% from S\$18.7 million in 3Q 2018. The gross profit registered was due to lower revenue recorded but at a higher gross profit margin of 21.2% in 3Q 2019 compared to 20.4% in 3Q 2018.

### 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 income decreased by S\$0.5 million or 13.8% from S\$3.4 million in 9M 2018 to S\$2.9 million in 9M 2019. The decrease was mainly due to a lower net foreign exchange gain recorded and an absence of service income, and partially offset by higher rental income. In 3Q 2019, other income was S\$1.1 million, an increase of S\$0.3 million or 29.9% compared to S\$0.8 million in 3Q 2018. The increase was mainly due to a higher net foreign exchange gain recorded and higher rental income, and partially offset by lower write-back of impairment loss on doubtful trade receivables.

### Other Items of Expense

	Group					
	Third Quarter Ended			Nine Months Ended		
	30 Sep 19 S\$'000	30 Sep 18 S\$'000	+/- %	30 Sep 19 S\$'000	30 Sep 18 S\$'000	+/- %
Depreciation of property, plant and equipment	804	505	59.2%	2,394	1,464	63.5%
Employee benefits expense	14,703	13,893	5.8%	43,111	41,460	4.0%
Other expenses	4,422	2,870	54.1%	11,590	9,079	27.7%
Interest expense	362	195	85.6%	1,096	535	104.9%
	<b>20,291</b>	<b>17,463</b>	<b>16.2%</b>	<b>58,191</b>	<b>52,538</b>	<b>10.8%</b>

Higher operating expenses were incurred in 9M 2019 and 3Q 2019 compared to 9M 2018 and 3Q 2018 respectively. The higher depreciation charge on property, plant and equipment was mainly due to 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 for the new attractions business. Other expenses were higher mainly due to the recognition of depreciation charge on right-of-use assets (as described under paragraph 5 above) and expenses incurred for the new business areas and impairment loss on doubtful trade receivables, which were partially offset by the absence of operating lease expenses. The increase in interest expense was mainly due to a higher amount of loans and borrowings outstanding in 9M 2019 compared to 9M 2018 and the recognition of interest expense on lease liabilities (as described under paragraph 5 above).

- (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)

#### **Share of Result of Joint Venture**

Share of profit of joint venture amounted to S\$182,000 in 9M 2019 and S\$155,000 in 3Q 2019. The joint venture company was newly incorporated at end 2018.

#### **Share of Results of Associates**

Share of profits of associates decreased by S\$237,000 or 77.7% from S\$305,000 in 9M 2018 to S\$68,000 in 9M 2019. In 3Q 2019, share of losses of associates was S\$42,000, a decrease of S\$80,000 or 65.6% compared to S\$122,000 in 3Q 2018. The changes were mainly due to movements in profit and loss contribution of the 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 decreased by S\$2.7 million or 58.8% from S\$4.6 million in 9M 2018 to S\$1.9 million in 9M 2019. Profit net of tax attributable to equity holders of the Company decreased by S\$1.5 million or 93.0% from S\$1.6 million in 3Q 2018 to S\$0.1 million in 3Q 2019. The decreases resulted mainly from costs incurred in the new business areas, which amounted to S\$2.3 million in 9M 2019 and S\$1.1 million in 3Q 2019.

- (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\$6.0 million and S\$4.8 million in 9M 2019 and 3Q 2019 respectively arose mainly from profit before tax and adjusted for a net increase in non-cash flow items (largely from depreciation of property, plant and equipment and depreciation of right-of-use assets), and offset by cash outflow from a net increase in working capital requirements (largely from movements in contract assets, trade and other receivables, contract liabilities, trade and other payables and other liabilities) and income tax paid. Net cash used in investing activities of S\$7.1 million and S\$3.3 million in 9M 2019 and 3Q 2019 respectively comprised mainly of purchase of property, plant and equipment. Net cash used in financing activities of S\$7.7 million and S\$2.8 million in 9M 2019 and 3Q 2019 respectively arose mainly from dividends paid on ordinary shares, net repayment of loans and borrowings and repayment of lease liabilities, and partially offset by a decrease in pledged bank deposits. Based on the above, the Group had a net decrease in cash and cash equivalents of S\$20.8 million and S\$10.9 million in 9M 2019 and 2Q 2019 respectively. The cash and cash equivalents stood at S\$56.5 million as at 30 September 2019.

- 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 2019, the Group stated that, barring unforeseen circumstances, it expects FY2019 to be a profitable year. The 3Q 2019 results are in line with the Group's expectation.

- 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 Group continues to see good opportunities in its key markets and business segments, and will continue to drive for greater efficiency while strengthening its capabilities to position the Group for growth. Its ability to create and build unique and engaging experiences provides the Group with a range of solutions that meet diverse and evolving needs of a global client base. With the new branded attractions up and running, the Group will continue to pursue additional intellectual property and content concepts, focusing on the three broad areas of active play, edutainment and live events.

As at 31 October 2019, the Group has secured contracts of S\$416 million, of which S\$357 million is expected to be recognised in FY2019. Barring unforeseen circumstances, the Group expects FY2019 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/recommendeded, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the current financial period ended 30 September 2019 as the Group wishes to retain cash for its business operations.

**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.

**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 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Soh Siak Poh Benedict  
Executive Chairman

Simon Ong Chin Sim  
Deputy Executive Chairman

7 November 2019

**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

7 November 2019