

NEWS RELEASE

KINGSMEN IMPACTED BY GLOBAL PANDEMIC - RECORDS FIRST NET LOSS OF S\$11.1 MILLION IN FY2020

- Revenue decreases 21.6% to S\$286.9 million
- Core business areas remain robust
- Impacted by temporary closure and restrictions to experiential attractions
- Pipeline of projects secured stands at S\$107 million

FY2020 Results Highlights

	FY2020	FY2019	Change
Revenue	S\$286.9m	S\$365.9m	-21.6%
Gross Profit	S\$66.0m	S\$77.3m	-14.6%
Net Profit	-S\$11.1m	S\$0.5m	n/m
EPS	-5.50 cents	0.26 cents	n/m

Note: n/m denotes not meaningful

“Despite the pandemic, our core business continues to do well and remains robust. Given the uncertain environment, we had implemented wide-ranging cost-cutting measures, and moved to trim operations while continuing to pursue business, deliver on projects, and ensuring that we are able to respond to market needs.

We were however adversely impacted by the temporary closure and capacity limitations to our new experiential attractions, and impairment losses recognised on assets resulting from the impact of the pandemic. Thus 2020 saw us reporting a loss for the first time in our history.

Our working capital position remains healthy and the long term business outlook is positive. However, as uncertainty remains, we will continue our tight cost control measures, while continuing to seek out opportunities to deliver differentiated solutions, especially in areas such as thematic and experiential attractions and branded pop-up/experiential installations as our markets recover. ” said **Mr Andrew Cheng, Group CEO of Kingsmen.**

Singapore, February 27, 2021 – Kingsmen Creatives Ltd. (“Kingsmen”) (“金明创新”), and its subsidiaries (the “Group”), a leading communication design and production group in Asia Pacific, the Middle East and America, today announced a net loss of S\$11.1 million for the year ended December 31, 2020 (“FY2020”) compared to a net profit of S\$0.5 million for the previous corresponding year (“FY2019”). Group revenue declined 21.6% to S\$286.9 million in FY2020, from S\$365.9 million in FY2019.

The **Exhibitions, Thematic & Attractions division** registered a revenue of S\$148.5 million in FY2020, a decrease of S\$23.2 million or 13.5% from S\$171.7 million in FY2019. The decrease in revenue was mainly due to the cancellation and postponement of trade shows, conferences and events by clients and the temporary closure and restrictions of operations of the experiential attractions. Amid the pandemic, the Group’s diversified capabilities have enabled it to secure government related COVID-19 projects which contributed to the division’s revenue.

The **Retail & Corporate Interiors division** recorded a revenue of S\$119.9 million in FY2020, a decrease of S\$49.9 million or 29.4% compared to S\$169.8 million in FY2019. The division was impacted by significant disruption in its supply chain, including production activities from temporary closure of its own factories, and delays, disruptions and restrictions in the execution of projects due to the new health and safety precaution measures put in place.

The **Research & Design division** achieved a revenue of S\$15.0 million in FY2020, a decrease of S\$2.3 million or 13.5% from S\$17.3 million in FY2019. Although some projects were put on hold, the division continued to see numerous projects proceeding or completed as planned.

The **Alternative Marketing division** registered a revenue of S\$3.5 million in FY2020, a decrease of S\$3.6 million or 50.7% compared to S\$7.1 million in FY2019. The division was impacted by the decline in demand for brand activation events and projects following cancellations and postponement by clients.

Outlook for 2021 and Beyond

Sharing the Group's outlook for 2021 and beyond, Mr Cheng said: "Business activities have gradually resumed and the rollout of vaccines offers hope for a progressive recovery. However, uncertainty remains and we expect the year to continue to be challenging.

For the exhibition and events business, clients continue to be cautious in committing projects given the on-going restrictions for international travel and limited foreign participants. There is however growing demand for digital/virtual exhibitions and events. We are already offering these digital solutions and will continue to develop and offer new hybrid solutions to meet the demand for unique experiences. The thematic attractions market continues to present many opportunities and we are busy pitching and managing multiple on-going projects.

Competition for retail fit-outs remains tight, while we are seeing more projects and enquiries in sectors such as F&B and corporate offices, as well as branded pop-up/experiential installations.

Our Research & Design team continues to be busy, pitching for and fulfilling design works especially in themed attractions and new experiential and engagement concepts for clients.

With the pandemic having a devastating impact on the global attractions industry, there is pent up demand for activity and engagement platforms, and we expect the industry to rebound once the pandemic is under control. With travel restrictions still in place, domestic demand for our branded experiential attraction, Nerf Action Xperience in Singapore, which is operating at reduced capacity as part of safe distancing measures, has been heartening. We will continue our expansion plans towards the overseas markets, introducing and developing new unique experiences that meet the changing demands of consumers and lifestyles.

This pandemic has revealed new needs and opportunities for our future. We will shape Kingsmen for the future by reinvesting resources to strengthen our supply chain, build a robust ecosystem of partnerships and upskill our people to meet demands for new unique experiences and hybrid solutions.”

As at 31 January 2021, the Group has secured contracts of S\$107 million, of which S\$90 million is expected to be recognised in FY2021.

About Kingsmen Creatives Ltd.

Listed on the Mainboard of the Singapore Exchange, Kingsmen is a leading communication design and production group. Established in 1976, the Group has a network of 21 offices and full service facilities serving global clients in Exhibitions, Thematic & Attractions, Retail & Corporate Interiors, Research & Design, and Alternative Marketing.

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 Chanel, Changi Airport Group, DBS, FJ Benjamin Group, Gucci, Hong Kong & Shanghai Disneyland, LVMH Group, Ralph Lauren, Resorts World Sentosa, Singapore GP, TAG Heuer, Tax Free World Association, Tiffany & Co., Universal Studios and Wing Tai Asia.

For more information, please visit: <http://www.kingsmen-int.com/>.

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