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

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017

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					
		Second Quarter Ended			Half Year Ended		
	Note	30 Jun 17	30 Jun 16	Change	30 Jun 17	30 Jun 16	Change
		S$'000	S$'000	%	S$'000	S$'000	%
Revenue		78,774	87,906	-10.4%	144,969	149,355	-2.9%
Cost of sales		(59,005)	(67,013)	-11.9%	(109,649)	(115,074)	-4.7%
Gross profit		19,769	20,893	-5.4%	35,320	34,281	3.0%
Other items of income							
Interest income		120	88	36.4%	200	154	29.9%
Other income	(a)	1,022	1,217	-16.0%	2,155	2,273	-5.2%
Other items of expense							
Depreciation of property, plant and equipment		(513)	(604)	-15.1%	(1,033)	(1,195)	-13.6%
Employee benefits expense		(13,528)	(14,337)	-5.6%	(25,817)	(27,039)	-4.5%
Other expenses		(4,167)	(3,498)	19.1%	(7,220)	(6,289)	14.8%
Interest expense		(128)	(173)	-26.0%	(269)	(332)	-19.0%
Share of results of associates		149	293	-49.1%	39	175	-77.7%
Profit before tax	(b)	2,724	3,879	-29.8%	3,375	2,028	66.4%
Income tax expense	(c)	(596)	(900)	-33.8%	(830)	(1,070)	-22.4%
Profit net of tax		2,128	2,979	-28.6%	2,545	958	165.7%
Other comprehensive income/(loss):							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of tax		(162)	(692)	-76.6%	(1,247)	(1,815)	-31.3%
Other comprehensive loss for the period, net of tax		(162)	(692)	-76.6%	(1,247)	(1,815)	-31.3%
Total comprehensive income/(loss)		1,966	2,287	-14.0%	1,298	(857)	n/m
Profit/(loss) net of tax attributable to:							
Equity holders of the Company		2,365	3,184	-25.7%	2,748	2,302	19.4%
Non-controlling interests		(237)	(205)	15.6%	(203)	(1,344)	-84.9%
Profit net of tax		2,128	2,979	-28.6%	2,545	958	165.7%
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		2,127	2,507	-15.2%	1,512	469	222.4%
Non-controlling interests		(161)	(220)	-26.8%	(214)	(1,326)	-83.9%
Total comprehensive income/(loss)		1,966	2,287	-14.0%	1,298	(857)	n/m

Note :
n/m = not meaningful

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

Explanatory notes to consolidated income statement

(a) Other income comprises :-

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
	S$'000	S$'000	S$'000	S$'000
Corporate fee income	89	127	418	378
Dividend income from available-for-sale financial asset	80	62	80	62
Net gain on disposal of property, plant and equipment	1	28	1	59
Rental income	403	492	780	899
Service income	377	448	758	710
Write-back of impairment loss on doubtful trade receivables	-	6	-	6
Miscellaneous income	72	54	118	159
	1,022	1,217	2,155	2,273

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

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
	S$'000	S$'000	S$'000	S$'000
Amortisation of intangible asset	22	22	45	45
Amortisation of land use right	61	61	122	122
Bad trade debts written off	130	141	136	165
Impairment loss on doubtful trade receivables	-	5	-	10
Net foreign exchange loss	697	285	1,004	287
Operating lease expenses	940	960	1,897	1,926
Property, plant and equipment written off	-	-	1	-

(c) Included in income tax expense for the second quarter and half year ended 30 June 2017 are under-provision of income tax of S$Nil (2Q 2016: S$43,000) and S$1,000 (1H 2016: S$36,000) 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 Jun 17	As at 31 Dec 16	As at 30 Jun 17	As at 31 Dec 16
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Land use right		6,859	6,981	6,859	6,981
Property, plant and equipment		27,912	24,610	6,131	1,404
Intangible assets		7,479	7,794	-	-
Investments in subsidiaries		-	-	25,815	25,715
Investments in associates		5,986	5,954	3,430	3,430
Other investments		4,304	4,304	4,304	4,304
Trade and other receivables		737	759	-	-
Deferred tax assets		460	426	46	47
		53,737	50,828	46,585	41,881
Current assets					
Other investments		1,014	1,014	1,014	1,014
Inventories		2,327	1,607	-	-
Gross amount due from customers for contract work-in-progress	(d)	29,299	23,595	-	-
Trade and other receivables	(e)	95,931	104,730	6,904	5,858
Other assets		785	1,102	37	174
Cash and cash equivalents	(f)	56,030	76,155	6,084	10,041
		185,386	208,203	14,039	17,087
Total assets		239,123	259,031	60,624	58,968
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital		27,710	27,130	27,710	27,130
Retained earnings		92,657	92,900	30,083	27,812
Other reserves		(4,436)	(3,204)	1,554	1,554
		115,931	116,826	59,347	56,496
Non-controlling interests		1,618	1,844	-	-
Total equity		117,549	118,670	59,347	56,496
Non-current liabilities					
Trade and other payables		1,150	1,245	-	-
Other financial liabilities		6,061	6,807	-	-
Deferred tax liabilities		370	374	-	-
		7,581	8,426	-	-
Current liabilities					
Gross amount due to customers for contract work-in-progress	(g)	10,459	10,521	-	-
Trade and other payables	(h)	93,114	110,660	1,277	2,472
Other financial liabilities		5,434	4,249	-	-
Other liabilities		1,897	2,607	-	-
Income tax payable		3,089	3,898	-	-
		113,993	131,935	1,277	2,472
Total liabilities		121,574	140,361	1,277	2,472
Total equity and liabilities		239,123	259,031	60,624	58,968

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) **Gross amount due from customers for contract work-in-progress**

Gross amount due from customers for contract work-in-progress comprises of the contract costs incurred and the profits/losses recognised less the progress billings on our interior fit-out projects and various thematic works across Asia and the Middle East.

(e) **Trade and other receivables**

	Group		Company	
	As at 30 Jun 17	As at 31 Dec 16	As at 30 Jun 17	As at 31 Dec 16
	S$'000	S$'000	S$'000	S$'000
Trade receivables	85,988	95,816	2,003	1,309
Other receivables	9,943	8,914	4,901	4,549
Total	95,931	104,730	6,904	5,858

(f) **Cash and cash equivalents**

	Group		Company	
	As at 30 Jun 17	As at 31 Dec 16	As at 30 Jun 17	As at 31 Dec 16
	S$'000	S$'000	S$'000	S$'000
Cash at banks and in hand	42,493	60,027	4,715	1,631
Short-term deposits	13,537	16,128	1,369	8,410
Total	56,030	76,155	6,084	10,041

(g) **Gross amount due to customers for contract work-in-progress**

Gross amount due to customers for contract work-in-progress comprises of the progress billings less the contract costs incurred and the profits/losses recognised on our interior fit-out projects and various thematic works across Asia and the Middle East.

(h) **Trade and other payables**

	Group		Company	
	As at 30 Jun 17	As at 31 Dec 16	As at 30 Jun 17	As at 31 Dec 16
	S$'000	S$'000	S$'000	S$'000
Trade payables	79,181	89,787	-	-
Other payables	13,933	20,873	1,277	2,472
Total	93,114	110,660	1,277	2,472

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 Jun 17	**As at 31 Dec 16**
	S$'000	S$'000
Secured		
- repayable within one year or on demand	5,434	4,249
- repayable after one year	6,061	6,807
	11,495	11,056
Unsecured		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
	-	-

Details of any collaterals

Bank loans and trust receipts are secured by way of legal charges on the Group's three factory units in 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 obligations are secured by the rights 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			
		Second Quarter Ended		Half Year Ended	
		30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
		S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities					
Profit before tax		2,724	3,879	3,375	2,028
Adjustments for:					
Amortisation of intangible asset		22	22	45	45
Amortisation of land use right		61	61	122	122
Bad trade debts written off		130	141	136	165
Depreciation of property, plant and equipment		1,028	1,031	1,594	1,676
Dividend income from available-for-sale financial asset		(80)	(62)	(80)	(62)
Net gain on disposal of property, plant and equipment		(1)	(28)	(1)	(59)
Net (write-back of impairment loss)/impairment loss on doubtful trade receivables		-	(1)	-	4
Property, plant and equipment written off		-	-	1	-
Interest income		(120)	(88)	(200)	(154)
Interest expense		128	173	269	332
Share of results of associates		(149)	(293)	(39)	(175)
Currency realignment		127	259	710	614
Operating cash flows before changes in working capital		3,870	5,094	5,932	4,536
(Increase)/decrease in:					
Inventories		(108)	(43)	(720)	(176)
Gross amount due from customers for contract work-in-progress		(555)	(6,267)	(5,704)	(15,606)
Trade and other receivables		(5,998)	2,291	8,685	29,468
Other assets		378	22	242	163
Increase/(decrease) in:					
Gross amount due to customers for contract work-in-progress		48	2,905	(62)	5,574
Trade and other payables		3,873	3,809	(16,610)	(15,616)
Other liabilities		695	(4,235)	(130)	(1,393)
Net cash flows from/(used in) operations		2,203	3,576	(8,367)	6,950
Interest received		120	88	200	154
Interest paid		(128)	(173)	(269)	(332)
Income tax paid		(730)	(1,344)	(1,611)	(3,696)
Net cash flows from/(used in) operating activities		1,465	2,147	(10,047)	3,076
Cash flows from investing activities					
Purchase of property, plant and equipment		(3,386)	(737)	(6,191)	(2,079)
Proceeds from disposal of property, plant and equipment		1	28	1	60
Dividend income from available-for-sale financial asset		80	62	80	62
Net cash flows used in investing activities		(3,305)	(647)	(6,110)	(1,957)
Cash flows from financing activities					
Dividends paid on ordinary shares		(2,987)	(3,963)	(2,987)	(3,963)
Dividends paid to non-controlling interest of subsidiaries		(12)	(89)	(12)	(89)
Purchase of treasury shares		-	(27)	-	(140)
Proceeds from draw down of loans and borrowings		1,605	722	2,624	2,135
Repayment of loans and borrowings		(1,153)	(1,703)	(2,122)	(3,305)
Repayment of finance lease obligations		(2)	(3)	(4)	(7)
(Increase)/decrease in deposits pledged to banks for banking facilities		(4)	611	(608)	5
Net cash flows used in financing activities		(2,553)	(4,452)	(3,109)	(5,364)
Net decrease in cash and cash equivalents		(4,393)	(2,952)	(19,266)	(4,245)
Effect of exchange rate changes on cash and cash equivalents		(281)	(694)	(1,467)	(2,363)
Cash and cash equivalents at beginning of period		58,492	67,726	74,551	70,688
Cash and cash equivalents at end of period	(i)	53,818	64,080	53,818	64,080

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 Jun 17	As at 30 Jun 16
	S$'000	S$'000
Cash at banks and in hand	42,493	46,419
Short-term deposits	13,537	19,579
	56,030	65,998
Less: Deposits pledged to banks for banking facilities	(2,212)	(1,918)
Cash and cash equivalents	53,818	64,080

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 2017	27,130	92,900	(3,204)	116,826	1,844	118,670
Profit for the period	-	383	-	383	34	417
Other comprehensive loss						
Foreign currency translation	-	-	(998)	(998)	(87)	(1,085)
Other comprehensive loss for the period, net of tax	-	-	(998)	(998)	(87)	(1,085)
Total comprehensive income/(loss) for the period	-	383	(998)	(615)	(53)	(668)
Total transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
Other						
Appropriation to statutory reserve fund	-	(4)	4	-	-	-
Total Other	-	(4)	4	-	-	-
Closing balance at 31 March 2017	27,130	93,279	(4,198)	116,211	1,791	118,002
Profit/(loss) for the period	-	2,365	-	2,365	(237)	2,128
Other comprehensive income/(loss)						
Foreign currency translation	-	-	(238)	(238)	76	(162)
Other comprehensive (loss)/income for the period, net of tax	-	-	(238)	(238)	76	(162)
Total comprehensive income/(loss) for the period	-	2,365	(238)	2,127	(161)	1,966
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 interest 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)
Closing balance at 30 June 2017	27,710	92,657	(4,436)	115,931	1,618	117,549

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 2016	26,331	87,030	(2,084)	111,277	2,094	113,371
Loss for the period	-	(882)	-	(882)	(1,139)	(2,021)
Other comprehensive (loss)/income						
Foreign currency translation	-	-	(1,156)	(1,156)	33	(1,123)
Other comprehensive (loss)/income for the period, net of tax	-	-	(1,156)	(1,156)	33	(1,123)
Total comprehensive loss for the period	-	(882)	(1,156)	(2,038)	(1,106)	(3,144)
Contributions by and distributions to equity holders						
Purchase of treasury shares	(113)	-	-	(113)	-	(113)
Total contributions by and distributions to equity holders	(113)	-	-	(113)	-	(113)
Total transactions with equity holders in their capacity as equity holders	(113)	-	-	(113)	-	(113)
Closing balance at 31 March 2016	26,218	86,148	(3,240)	109,126	988	110,114
Profit/(loss) for the period	-	3,184	-	3,184	(205)	2,979
Other comprehensive loss						
Foreign currency translation	-	-	(677)	(677)	(15)	(692)
Other comprehensive loss for the period, net of tax	-	-	(677)	(677)	(15)	(692)
Total comprehensive income/(loss) for the period	-	3,184	(677)	2,507	(220)	2,287
Contributions by and distributions to equity holders						
Purchase of treasury shares	(27)	-	-	(27)	-	(27)
Treasury shares reissued pursuant to performance share scheme	663	-	60	723	-	723
Ordinary shares issued pursuant to performance share scheme	276	-	-	276	-	276
Dividends paid on ordinary shares	-	(3,963)	-	(3,963)	-	(3,963)
Total contributions by and distributions to equity holders	912	(3,963)	60	(2,991)	-	(2,991)
Changes in ownership interests in subsidiaries						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(89)	(89)
Total changes in ownership interests in subsidiaries	-	-	-	-	(89)	(89)
Total transactions with equity holders in their capacity as equity holders	912	(3,963)	60	(2,991)	(89)	(3,080)
Other						
Appropriation from statutory reserve fund	-	4	(4)	-	-	-
Total Other	-	4	(4)	-	-	-
Closing balance at 30 June 2016	27,130	85,373	(3,861)	108,642	679	109,321

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 2017	27,130	27,812	1,554	56,496
Profit for the period	-	3,018	-	3,018
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,018	-	3,018
Total transactions with equity holders in their capacity as equity holders	-	-	-	-
Closing balance at 31 March 2017	27,130	30,830	1,554	59,514
Profit for the period	-	2,240	-	2,240
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	2,240	-	2,240
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
Opening balance at 1 January 2016	26,331	21,898	2,376	50,605
Profit for the period	-	3,226	-	3,226
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,226	-	3,226
Contributions by and distributions to equity holders				
Purchase of treasury shares	(113)	-	-	(113)
Total contributions by and distributions to equity holders	(113)	-	-	(113)
Total transactions with equity holders in their capacity as equity holders	(113)	-	-	(113)
Closing balance at 31 March 2016	26,218	25,124	2,376	53,718
Profit for the period	-	7,189	-	7,189
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	7,189	-	7,189
Contributions by and distributions to equity holders				
Purchase of treasury shares	(27)	-	-	(27)
Treasury shares reissued pursuant to performance share scheme	663	-	60	723
Ordinary shares issued pursuant to performance share scheme	276	-	-	276
Dividends paid on ordinary shares	-	(3,963)	-	(3,963)
Total contributions by and distributions to equity holders	912	(3,963)	60	(2,991)
Total transactions with equity holders in their capacity as equity holders	912	(3,963)	60	(2,991)
Closing balance at 30 June 2016	27,130	28,350	2,436	57,916

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.

Ordinary shares issued and fully paid-up	Number of shares	Issued and paid-up share capital S$'000
Balance as at 31 March 2017	198,140,781	27,130
Ordinary shares issued pursuant to performance share scheme	966,280	580
Balance as at 30 June 2017	199,107,061	27,710

There were no outstanding convertibles issued by the Company as at 30 June 2017 and 30 June 2016.

There were no treasury shares held by the Company as at 30 June 2017 and 30 June 2016 respectively. There were no subsidiary holdings as at 30 June 2017 and 30 June 2016 respectively. The percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings of 199,107,061 and 198,140,781 as at 30 June 2017 and 30 June 2016 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 Jun 17	As at 31 Dec 16
Total number of issued shares excluding treasury shares	199,107,061	198,140,781

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 June 2017.

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 June 2017.

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 2016.

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 all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS 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.

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			
	Second Quarter Ended		Half Year Ended	
	30 Jun 17	30 Jun 16	30 Jun 17	30 Jun 16
Net profit attributable to shareholders (S$'000)	2,365	3,184	2,748	2,302
Weighted average number of ordinary shares in issue	198,746,033	197,590,012	198,445,079	197,180,943
Basic and diluted earnings per share (S$ cents)	1.19	1.61	1.38	1.17

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2017 and 30 June 2016.

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 Jun 17	As at 31 Dec 16	As at 30 Jun 17	As at 31 Dec 16
Net asset value, net of non-controlling interests (S$'000)	115,931	116,826	59,347	56,496
Number of ordinary shares in issue, excluding treasury shares	199,107,061	198,140,781	199,107,061	198,140,781
Net asset value per ordinary share (S$ cents)	58.23	58.96	29.81	28.51

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					
	Second Quarter Ended			Half Year Ended		
	30 Jun 17	30 Jun 16	+/-	30 Jun 17	30 Jun 16	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Exhibitions & Thematic	34,233	45,361	-24.5%	59,428	73,779	-19.5%
Retail & Corporate Interiors	38,869	36,567	6.3%	74,027	65,657	12.7%
Research & Design	3,750	3,433	9.2%	6,645	5,981	11.1%
Alternative Marketing	1,922	2,545	-24.5%	4,869	3,938	23.6%
	78,774	87,906	-10.4%	144,969	149,355	-2.9%

For the second quarter ended 30 June 2017 ("2Q 2017"), the Group recorded a revenue of S$78.8 million, a decrease of S$9.1 million or 10.4% compared to S$87.9 million for the previous corresponding quarter ended 30 June 2016 ("2Q 2016"). This brought revenue for the half year ended 30 June 2017 ("1H 2017") to S$145.0 million, a decrease of S$4.4 million or 2.9% compared to S$149.4 million for the previous corresponding half year ended 30 June 2016 ("1H 2016").

The **Exhibitions & Thematic division** registered a revenue of S$59.4 million in 1H 2017, a decrease of S$14.4 million or 19.5% from S$73.8 million in 1H 2016. In 2Q 2017, the division's revenue was S$34.2 million, a decrease of S$11.1 million or 24.5% from S$45.3 million recorded in 2Q 2016. The decrease in revenue was due to the completion of several key projects in 2016. The key contributors to the division's revenue included major events and projects such as Art Stage Singapore 2017, Desaru Adventure Waterpark, Dubai Frame, Heilan Horse Cultural Experience Pavilion, Jakarta Aquarium, King Abdulaziz Center for World Culture, Madame Tussauds, Singapore Maritime Gallery, SMBC Singapore Open 2017 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S$74.0 million in 1H 2017, an increase of S$8.4 million or 12.7% compared to S$65.6 million in 1H 2016. In 2Q 2017, the division's revenue was S$38.9 million, an increase of S$2.3 million or 6.3% compared to S$36.6 million in 2Q 2016. The key accounts which contributed to the division's revenue included clients and brand names such as DBS Bank, DFS Venture, Dior, Dubai Duty Free, Fendi, La Perla, Robinsons, Tiffany & Co. and YATA.

The **Research & Design division** registered a revenue of S$6.7 million in 1H 2017, an increase of S$0.7 million or 11.1% compared to S$6.0 million in 1H 2016. In 2Q 2017, the division's revenue was S$3.7 million, an increase of S$0.3 million or 9.2% from S$3.4 million recorded in 2Q 2016. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Madame Tussauds, Procter & Gamble Co., Robinsons and Tencent, and thematic projects in the region.

(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)

The **Alternative Marketing division** achieved a revenue of S$4.8 million in 1H 2017, an increase of S$0.9 million or 23.6% from S$3.9 million in 1H 2016. Revenue was lower at S$1.9 million in 2Q 2017, a decrease of S$0.6 million or 24.5% from S$2.5 million in 2Q 2016. The key contributors to the division's revenue included events and projects from clients such as DFASS, Global Young Scientists Summit, International Public Policy Association, Procter & Gamble Co. and StarHub.

Gross Profit

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 17	30 Jun 16	+/-	30 Jun 17	30 Jun 16	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	78,774	87,906	-10.4%	144,969	149,355	-2.9%
Gross profit	19,769	20,893	-5.4%	35,320	34,281	3.0%
Gross profit margin	25.1%	23.8%		24.4%	23.0%	

Gross profit in 1H 2017 increased by S$1.0 million or 3.0% to S$35.3 million compared to S$34.3 million in 1H 2016. Gross profit was lower at S$19.8 million in 2Q 2017, a decrease of S$1.1 million or 5.4% from S$20.9 million in 2Q 2016. The gross profit recorded was due to lower revenue registered but at a higher gross profit margin of 24.4% in 1H 2017 compared to 23.0% in 1H 2016 and 25.1% in 2Q 2017 compared to 23.8% in 2Q 2016.

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					
	Second Quarter Ended			Half Year Ended		
	30 Jun 17	30 Jun 16	+/-	30 Jun 17	30 Jun 16	+/-
	S$'000	S$'000	%	S$'000	S$'000	%
Depreciation of property, plant and equipment	513	604	-15.1%	1,033	1,195	-13.6%
Employee benefits expense	13,528	14,337	-5.6%	25,817	27,039	-4.5%
Other expenses	4,167	3,498	19.1%	7,220	6,289	14.8%
Interest expense	128	173	-26.0%	269	332	-19.0%
	18,336	**18,612**	**-1.5%**	**34,339**	**34,855**	**-1.5%**

Lower operating expenses were incurred in 1H 2017 and 2Q 2017 compared to 1H 2016 and 2Q 2016 respectively. The lower depreciation charge on property, plant and equipment was mainly due to fully depreciated assets, of which no further depreciation charge was recorded in 1H 2017. The decrease in employee benefits expense was mainly due to lower costs resulting from reduced headcount and lower performance linked incentives recorded. Other expenses rose mainly due to a higher net foreign exchange loss of S$0.7 million and S$0.4 million recorded in 1H 2017 and 2Q 2017 compared to 1H 2016 and 2Q 2016 respectively. This arose mainly from the appreciation of Singapore Dollar against bank deposits held in United States Dollar. The fall in interest expense was mainly due to a lower amount of loans and borrowings outstanding in 1H 2017 compared to 1H 2016.

(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 Results of Associates

Share of profits of associates decreased by S$0.1 million from S$0.2 million in 1H 2016 to S$0.1 million in 1H 2017 and by S$0.1 million from S$0.3 million in 2Q 2016 to S$0.2 million in 2Q 2017. The decrease was mainly due to loss contribution from an associate acquired in 2016.

Profit Net of Tax Attributable to Equity Holders of the Company

Based on the above, profit net of tax attributable to equity holders of the Company increased by S$0.4 million from S$2.3 million in 1H 2016 to S$2.7 million in 1H 2017. Profit net of tax attributable to equity holders of the Company decreased by S$0.8 million from S$3.2 million in 2Q 2016 to S$2.4 million in 2Q 2017.

(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$10.1 million in 1H 2017 mainly arose from cash outflow from a net increase in working capital requirements of S$14.3 million (largely from a decrease in trade and other payables). In 2Q 2017, net cash from operating activities of S$1.5 million mainly arose from operating cash flows before changes in working capital of S$3.9 million. Net cash used in investing activities of S$6.1 million and S$3.3 million in 1H 2017 and 2Q 2017 respectively comprised mainly of purchase of property, plant and equipment. Net cash used in financing activities of S$3.1 million and S$2.6 million in 1H 2017 and 2Q 2017 respectively mainly arose from dividends paid on ordinary shares of S$3.0 million. Based on the above, the Group had a net decrease in cash and cash equivalents of S$19.3 million and S$4.4 million in 1H 2017 and 2Q 2017 respectively. The Group's cash and cash equivalents stood at S$53.8 million as at 30 June 2017.

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

In our announcement on 12 May 2017, we stated that, barring unforeseen circumstances, we expect FY2017 to be a profitable year. Our 2Q 2017 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.

Our core business areas continue to demonstrate good potential to grow, especially with a focus on unique and engaging experiences.

The Exhibitions & Thematic division remains well-positioned to capitalise on the promising opportunities in the exhibition, event, museum and thematic industries across Asia and the Middle East. The line-up of projects and attractions already secured provides a good foundation for the division to continue its growth.

The Retail and Corporate Interiors division continues to see opportunities within its industry. With its broad range of service offerings and expertise, the division will continue to pursue opportunities in the high-end luxury retail, affordable luxury retail, fast fashion retail, travel retail, corporate interior and food & beverage segments with new clients even as it deepens its relationship with existing ones.

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. (Cont'd)

We will continue to invest in talent, expand the capabilities of our value chain and develop and better integrate our service offerings to add value to our clients. Where the opportunities arise, we will embark on and pursue new and synergistic businesses to enhance our service offerings to the market. The establishment of Kingsmen Ventures and Kingsmen Xperience are the next step in our strategy of expanding our reach into new markets and services, and to develop new offerings through the development, ownership and marketing of intellectual property based experiential attractions. As at 31 July 2017, we have secured contracts of S$245 million, of which S$232 million is expected to be recognised in FY2017. Barring unforeseen circumstances, we expect FY2017 to be a profitable year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in SGD Cents)	1.00
Tax Rate	Tax exempt (one tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in SGD Cents)	1.00
Tax Rate	Tax exempt (one tier)

(c) Date payable

The above interim dividends (the "Dividends") will be paid on 19 September 2017.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 8 September 2017 to determine shareholders' entitlements to the Dividends and for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5:00 p.m. on 7 September 2017 will be registered to determine shareholders' entitlements to the Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 7 September 2017 will be entitled to the Dividends.

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

Not applicable.

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 June 2017.

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 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

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

10 August 2017

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

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

BY ORDER OF THE BOARD OF DIRECTORS

Soh Siak Poh Benedict
Executive Chairman

10 August 2017