

## NEWS RELEASE

### KINGSMEN REPORTS 7.5% INCREASE IN 1H 2018 NET PROFIT TO S\$2.9 MILLION

- Revenue increases 1.3% to S\$146.8 million
- Net profit increases 7.5% to S\$2.9 million
- Expects steady growth in second half, given pipeline of projects secured
- Proposes interim dividend of 1.0 Singapore cent per share

#### 1H 2018 Results Highlights

	1H 2018	1H 2017	Change
Revenue	S\$146.8m	S\$144.9m	+1.3%
Gross profit	S\$35.7m	S\$35.3m	+1.1%
Net profit	S\$2.9m	S\$2.7m	+7.5%
EPS	1.48 cents	1.38 cents	+7.2%

“The market remains buoyant for the Group’s services and expertise, and our drive into new market segments has opened up more opportunities for us. We continue to beef up our capabilities, and focus on deriving greater efficiencies and productivity in order to compete more effectively in the evolving market environment. The recent incorporation of NAX Singapore Pte Ltd is another step forward in our plans to expand into the new experiential and intellectual property business segment. This new exciting business area marks the next phase of our transformation, adding a new dimension to what has traditionally been done and better positioning us as a group that creates and delivers experiences.” said **Mr Andrew Cheng, Group CEO of Kingsmen.**

*Singapore, August 8, 2018* – Kingsmen Creatives Ltd. (“Kingsmen”) (“金明创新”), and its subsidiaries (the “Group”), a leading communication design and production group in Asia Pacific and the Middle East, today announced a net profit of S\$2.9 million for the six months ended June 30, 2018 (“1H 2018”), a 7.5% increase from the previous corresponding period (“1H 2017”). Group revenue increased 1.3% to S\$146.8 million in 1H 2018, from S\$144.9 million in 1H 2017.

Commenting on the Group’s performance, Mr Cheng said: “We have worked hard to refine our service offerings, and capitalise on the opportunities available in the market. Our Exhibitions and Thematic division sees strong demand from the industry and continues to enhance its capabilities to capitalise on the influx of upcoming exhibitions, events and attractions into the region. On the retail and corporate interiors front, we have driven our efforts toward expanding our presence in other growth segments while maintaining our focus on growing our presence for key accounts in the retail segment. Looking ahead, we will continue to undertake new initiatives to build and develop our talent pool and invest in facilities and technology to elevate consumer experiences and expand into new and engaging experiential segments.”

The **Exhibitions and Thematic division** registered a revenue of S\$65.1 million in 1H 2018, an increase of S\$5.6 million or 9.5% from S\$59.5 million in 1H 2017. The increase in revenue was due to the completion of several major events in 1H 2018. The key contributors to the division’s revenue included major events and projects such as Art Stage Singapore 2018, Buds by Shangri-La Singapore, Food & Hotel Asia 2018, Money 2020 Asia 2018, Shenzhen Binhai Tencent Exhibition Centre, Singapore Airshow 2018, SMBC Singapore Open 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\$69.9 million in 1H 2018, a decrease of S\$4.1 million or 5.5% compared to S\$74.0 million in 1H 2017. Demand for fit-out services from the retail segment remained soft. However, the division continued to see demand for fit-out services from the hospitality, corporate interior, food & beverage and mall public area segments. The key accounts which contributed to the division’s revenue included clients and brand names such as AIA, Bottega Veneta, DBS Bank, Fendi, Hanoi French Hospital, Ralph Lauren, Singtel, Tiffany & Co. and Van Cleef & Arpels.

The Group's **Research & Design division** achieved a revenue of S\$7.3 million in 1H 2018, an increase of S\$0.7 million or 10.4% from S\$6.6 million in 1H 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\$4.5 million in 1H 2018, a decrease of S\$0.4 million or 7.8% compared to S\$4.9 million in 1H 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 and Samsonite.

#### Outlook for 2018 and Beyond

The Group expects to continue its growth in its existing businesses, given the encouraging pipeline of contracts already secured, and are currently being pursued, while it continues the next phase of transformation with its entry into new business areas. As at 31 July 2018, the Group has secured contracts of S\$322 million, of which S\$273 million is expected to be recognised in FY2018.

The **Exhibitions & Thematic** division continues to see strong demand for its services and expertise in the exhibition, event, museum and thematic industries across Asia Pacific and the Middle East, underpinned by the growing demand for unique, engaging, diverse and original experiences. The division will continue to enhance its capabilities and core offerings to offer targeted solutions and engage its existing and new clients.

The Group's **Retail & Corporate Interiors** division continues to expand the capabilities of its value chain, and develop and better integrate its service offerings to add value to its clients. With its broad range of service offerings and expertise, the division remains well-positioned to capitalise on the opportunities in the retail, hospitality, corporate interior, food & beverage and mall public area segments.

In line with the Group's policy of distributing its profits to reward loyal shareholders, the Board is recommending an interim dividend of 1.0 Singapore cent per ordinary share.

**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, 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, Robinsons Group, Singapore GP, TAG Heuer, Tax Free World Association, Tiffany & Co., Universal Studios and Wing Tai Asia.

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