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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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		
		Year Ended		
	Note	31 Dec 17	31 Dec 16	Change
		S$'000	S$'000	%
Revenue		307,254	329,707	-6.8%
Cost of sales		(230,056)	(246,260)	-6.6%
Gross profit		77,198	83,447	-7.5%
Other items of income				
Interest income		409	353	15.9%
Other income	(a)	3,989	4,720	-15.5%
Other items of expense				
Depreciation of property, plant and equipment		(2,001)	(2,429)	-17.6%
Employee benefits expense		(55,025)	(58,527)	-6.0%
Other expenses		(14,218)	(12,422)	14.5%
Interest expense		(534)	(596)	-10.4%
Share of results of associates		350	(196)	n/m
Profit before tax	(b)	10,168	14,350	-29.1%
Income tax expense	(c)	(996)	(2,586)	-61.5%
Profit net of tax		9,172	11,764	-22.0%
Other comprehensive income/(loss):				
Items that may be reclassified subsequently to profit or loss:				
Change in fair value of available-for-sale financial asset		9	(882)	n/m
Exchange differences on translating foreign operations, net of tax		(1,197)	(414)	189.1%
		(1,188)	(1,296)	-8.3%
Item that will not be reclassified to profit or loss:				
Defined benefit plan actuarial (loss)/gain, net of tax		(14)	20	n/m
Other comprehensive loss for the year, net of tax		(1,202)	(1,276)	-5.8%
Total comprehensive income		7,970	10,488	-24.0%
Profit/(loss) net of tax attributable to:				
Equity holders of the Company		9,741	11,896	-18.1%
Non-controlling interests		(569)	(132)	331.1%
Profit net of tax		9,172	11,764	-22.0%
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		8,496	10,634	-20.1%
Non-controlling interests		(526)	(146)	260.3%
Total comprehensive income		7,970	10,488	-24.0%

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	
	Year Ended	
	31 Dec 17	31 Dec 16
	S$'000	S$'000
Corporate fee income	509	474
Dividend income from available-for-sale financial asset	80	106
Gain on deemed disposal of interest in an associate	-	77
Net foreign exchange gain	-	318
Net gain on disposal of property, plant and equipment	1	79
Rental income	1,683	2,022
Service income	1,224	1,041
Write-back of impairment loss on doubtful trade receivables	43	9
Miscellaneous income	449	594
	3,989	4,720

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

	Group	
	Year Ended	
	31 Dec 17	31 Dec 16
	S$'000	S$'000
Amortisation of intangible asset	91	91
Amortisation of land use right	243	243
Bad trade debts written off	437	206
Impairment loss on doubtful trade receivables	21	695
Impairment loss on held-to-maturity investment	14	13
Net foreign exchange loss	1,641	-
Operating lease expenses	3,843	3,872
Property, plant and equipment written off	1	4

(c) Included in income tax expense for the current year ended 31 December 2017 is an over-provision of S$1,191,000 (2016: S$1,432,000) relating to prior years.

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 31 Dec 17 S$'000	As at 31 Dec 16 S$'000	As at 31 Dec 17 S$'000	As at 31 Dec 16 S$'000
ASSETS					
Non-current assets					
Land use right		6,738	6,981	6,738	6,981
Property, plant and equipment		33,536	24,610	12,553	1,404
Intangible assets		8,637	7,794	-	-
Investments in subsidiaries		-	-	27,715	25,715
Investments in associates		6,333	5,954	3,430	3,430
Other investments		4,313	4,304	4,313	4,304
Trade and other receivables		139	759	-	-
Deferred tax assets		541	426	61	47
		60,237	50,828	54,810	41,881
Current assets					
Other investments		-	1,014	-	1,014
Inventories		1,583	1,607	-	-
Gross amount due from customers for contract work-in-progress	(d)	15,454	23,595	-	-
Trade and other receivables	(e)	94,407	104,730	5,841	5,858
Other assets		1,075	1,102	94	174
Cash and cash equivalents	(f)	73,609	76,155	3,373	10,041
		186,128	208,203	9,308	17,087
Total assets		246,365	259,031	64,118	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		97,507	92,900	31,993	27,812
Other reserves		(4,293)	(3,204)	1,563	1,554
		120,924	116,826	61,266	56,496
Non-controlling interests		1,126	1,844	-	-
Total equity		122,050	118,670	61,266	56,496
Non-current liabilities					
Trade and other payables		1,195	1,245	-	-
Other financial liabilities		5,468	6,807	-	-
Deferred tax liabilities		396	374	-	-
		7,059	8,426	-	-
Current liabilities					
Gross amount due to customers for contract work-in-progress	(g)	7,330	10,521	-	-
Trade and other payables	(h)	96,816	110,660	2,852	2,472
Other financial liabilities		8,465	4,249	-	-
Other liabilities		2,489	2,607	-	-
Income tax payable		2,156	3,898	-	-
		117,256	131,935	2,852	2,472
Total liabilities		124,315	140,361	2,852	2,472
Total equity and liabilities		246,365	259,031	64,118	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 31 Dec 17	As at 31 Dec 16	As at 31 Dec 17	As at 31 Dec 16
	S$'000	S$'000	S$'000	S$'000
Trade receivables	85,192	95,816	1,346	1,309
Other receivables	9,215	8,914	4,495	4,549
Total	94,407	104,730	5,841	5,858

(f) **Cash and cash equivalents**

	Group		Company	
	As at 31 Dec 17	As at 31 Dec 16	As at 31 Dec 17	As at 31 Dec 16
	S$'000	S$'000	S$'000	S$'000
Cash at banks and in hand	60,048	60,027	2,288	1,631
Short-term deposits	13,561	16,128	1,085	8,410
Total	73,609	76,155	3,373	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 31 Dec 17	As at 31 Dec 16	As at 31 Dec 17	As at 31 Dec 16
	S$'000	S$'000	S$'000	S$'000
Trade payables	77,759	89,787	-	-
Other payables	19,057	20,873	2,852	2,472
Total	96,816	110,660	2,852	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 31 Dec 17	**As at 31 Dec 16**
	S$'000	S$'000
Secured		
- repayable within one year	8,465	4,249
- repayable after one year	5,468	6,807
	13,933	11,056
Unsecured		
- repayable within one year	-	-
- 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 obligation is secured by the right to the motor vehicle.

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 Year Ended 31 Dec 17 S$'000	Group Year Ended 31 Dec 16 S$'000
Cash flows from operating activities			
Profit before tax		10,168	14,350
Adjustments for:			
Amortisation of intangible asset		91	91
Amortisation of land use right		243	243
Bad trade debts written off		437	206
Depreciation of property, plant and equipment		3,135	3,556
Dividend income from available-for-sale financial asset		(80)	(106)
Gain on deemed disposal of interest in an associate		-	(77)
Impairment loss on held-to-maturity investment		14	13
Net gain on disposal of property, plant and equipment		(1)	(79)
Net (write-back of impairment loss)/impairment loss on doubtful trade receivables		(22)	686
Performance share scheme expense		120	573
Property, plant and equipment written off		1	4
Interest income		(409)	(353)
Interest expense		534	596
Share of results of associates		(350)	196
Currency realignment		1,023	267
Operating cash flows before changes in working capital		14,904	20,166
(Increase)/decrease in:			
Inventories		24	1,129
Gross amount due from customers for contract work-in-progress		8,141	(3,783)
Trade and other receivables		10,528	(2,597)
Other assets		(16)	(196)
Increase/(decrease) in:			
Gross amount due to customers for contract work-in-progress		(3,191)	5,954
Trade and other payables		(14,050)	332
Other liabilities		342	(759)
Net cash flows from operations		16,682	20,246
Interest received		409	353
Interest paid		(534)	(596)
Income tax paid		(2,791)	(4,938)
Net cash flows from operating activities		13,766	15,065
Cash flows from investing activities			
Purchase of property, plant and equipment		(12,077)	(3,543)
Proceeds from disposal of property, plant and equipment		138	106
Proceed from maturity of held-to-maturity investment		1,000	-
Acquisition of intangible asset		(1,337)	-
Dividend income from available-for-sale financial asset		80	66
Dividend income from associates		150	680
Net cash flows used in investing activities		(12,046)	(2,691)
Cash flows from financing activities			
Dividends paid on ordinary shares		(4,978)	(5,944)
Dividends paid to non-controlling interests of subsidiaries		(192)	(104)
Purchase of treasury shares		-	(140)
Proceeds from draw down of loans and borrowings		8,899	3,038
Repayment of loans and borrowings		(6,209)	(5,180)
Repayment of finance lease obligations		(6)	(35)
(Increase)/decrease in deposits pledged for bank facilities		(932)	319
Net cash flows used in financing activities		(3,418)	(8,046)
Net (decrease)/increase in cash and cash equivalents		(1,698)	4,328
Effect of exchange rate changes on cash and cash equivalents		(1,780)	(465)
Cash and cash equivalents at beginning of year		74,551	70,688
Cash and cash equivalents at end of year	(i)	71,073	74,551

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. (Cont'd)

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 31 Dec 17	**As at 31 Dec 16**
	S$'000	S$'000
Cash at banks and in hand	60,048	60,027
Short-term deposits	13,561	16,128
	73,609	76,155
Less: Deposits pledged for bank facilities	(2,536)	(1,604)
Cash and cash equivalents	71,073	74,551

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/(loss) for the year	-	9,741	-	9,741	(569)	9,172
Other comprehensive income/(loss)						
Change in fair value of available-for-sale financial asset	-	-	9	9	-	9
Foreign currency translation	-	-	(1,241)	(1,241)	44	(1,197)
Defined benefit plan actuarial loss	-	(13)	-	(13)	(1)	(14)
Other comprehensive (loss)/income for the year, net of tax	-	(13)	(1,232)	(1,245)	43	(1,202)
Total comprehensive income/(loss) for the year	-	9,728	(1,232)	8,496	(526)	7,970
Contributions by and distributions to equity holders						
Ordinary shares issued pursuant to performance share scheme	580	-	-	580	-	580
Dividends paid on ordinary shares	-	(4,978)	-	(4,978)	-	(4,978)
Total contributions by and distributions to equity holders	580	(4,978)	-	(4,398)	-	(4,398)
Changes in ownership interests in subsidiaries						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(192)	(192)
Total changes in ownership interests in subsidiaries	-	-	-	-	(192)	(192)
Total transactions with equity holders in their capacity as equity holders	580	(4,978)	-	(4,398)	(192)	(4,590)
Other						
Appropriation to statutory reserve fund	-	(143)	143	-	-	-
Total other	-	(143)	143	-	-	-
Closing balance at 31 December 2017	27,710	97,507	(4,293)	120,924	1,126	122,050

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
Profit/(loss) for the year	-	11,896	-	11,896	(132)	11,764
Other comprehensive income/(loss)						
Change in fair value of available-for-sale financial asset	-	-	(882)	(882)	-	(882)
Foreign currency translation	-	-	(399)	(399)	(15)	(414)
Defined benefit plan actuarial gain	-	19	-	19	1	20
Other comprehensive income/(loss) for the year, net of tax	-	19	(1,281)	(1,262)	(14)	(1,276)
Total comprehensive income/(loss) for the year	-	11,915	(1,281)	10,634	(146)	10,488
Contributions by and distributions to equity holders						
Purchase of treasury shares	(140)	-	-	(140)	-	(140)
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	-	(5,944)	-	(5,944)	-	(5,944)
Total contributions by and distributions to equity holders	799	(5,944)	60	(5,085)	-	(5,085)
Changes in ownership interests in subsidiaries						
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(104)	(104)
Total changes in ownership interests in subsidiaries	-	-	-	-	(104)	(104)
Total transactions with equity holders in their capacity as equity holders	799	(5,944)	60	(5,085)	(104)	(5,189)
Other						
Appropriation to statutory reserve fund	-	(101)	101	-	-	-
Total other	-	(101)	101	-	-	-
Closing balance at 31 December 2016	27,130	92,900	(3,204)	116,826	1,844	118,670

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 year	-	9,159	-	9,159
Other comprehensive income				
Change in fair value of available-for-sale financial asset	-	-	9	9
Other comprehensive income for the year, net of tax	-	-	9	9
Total comprehensive income for the year	-	9,159	9	9,168
Contributions by and distributions to equity holders				
Ordinary shares issued pursuant to performance share scheme	580	-	-	580
Dividends paid on ordinary shares	-	(4,978)	-	(4,978)
Total contributions by and distributions to equity holders	580	(4,978)	-	(4,398)
Total transactions with equity holders in their capacity as equity holders	580	(4,978)	-	(4,398)
Closing balance at 31 December 2017	27,710	31,993	1,563	61,266
Opening balance at 1 January 2016	26,331	21,898	2,376	50,605
Profit for the year	-	11,858	-	11,858
Other comprehensive loss				
Change in fair value of available-for-sale financial asset	-	-	(882)	(882)
Other comprehensive loss for the year, net of tax	-	-	(882)	(882)
Total comprehensive income/(loss) for the year	-	11,858	(882)	10,976
Contributions by and distributions to equity holders				
Purchase of treasury shares	(140)	-	-	(140)
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	-	(5,944)	-	(5,944)
Total contributions by and distributions to equity holders	799	(5,944)	60	(5,085)
Total transactions with equity holders in their capacity as equity holders	799	(5,944)	60	(5,085)
Closing balance at 31 December 2016	27,130	27,812	1,554	56,496

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 1 January 2017	198,140,781	27,130
Ordinary shares issued pursuant to performance share scheme	966,280	580
Balance as at 31 December 2017	199,107,061	27,710

There were no outstanding convertibles issued by the Company as at 31 December 2017 and 31 December 2016.

There were no treasury shares held by the Company as at 31 December 2017 and 31 December 2016. There were no subsidiary holdings as at 31 December 2017 and 31 December 2016. 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 31 December 2017 and 31 December 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 31 Dec 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 year ended 31 December 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 year ended 31 December 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 year 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 year.

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	
	Year Ended	
	31 Dec 17	31 Dec 16
Net profit attributable to shareholders (S$'000)	9,741	11,896
Weighted average number of ordinary shares in issue	198,778,791	197,663,484
Basic and diluted earnings per share (S$ cents)	4.90	6.02

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2017 and 31 December 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 31 Dec 17	**As at 31 Dec 16**	**As at 31 Dec 17**	**As at 31 Dec 16**
Net asset value, net of non-controlling interests (S$'000)	120,924	116,826	61,266	56,496
Number of ordinary shares in issue, excluding treasury shares	199,107,061	198,140,781	199,107,061	198,140,781
Net asset value per ordinary share (S$ cents)	60.73	58.96	30.77	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			
	Year Ended			
	31 Dec 17	**31 Dec 16**	**+/-**	
	S$'000	S$'000	S$'000	%
Exhibitions & Thematic	136,772	151,435	(14,663)	-9.7%
Retail & Corporate Interiors	143,173	150,486	(7,313)	-4.9%
Research & Design	15,521	15,083	438	2.9%
Alternative Marketing	11,788	12,703	(915)	-7.2%
	307,254	**329,707**	**(22,453)**	**-6.8%**

For the financial year ended 31 December 2017 ("FY2017"), the Group recorded a revenue of S$307.2 million, a decrease of S$22.5 million or 6.8% compared to S$329.7 million for the previous corresponding financial year ended 31 December 2016 ("FY2016").

The **Exhibitions & Thematic division** registered a revenue of S$136.8 million in FY2017, a decrease of S$14.7 million or 9.7% from S$151.5 million in FY2016. The decrease in revenue was due to the completion of several key projects in FY2016. The key contributors to the division's revenue included major events and projects such as BNP Paribas WTA Finals Singapore presented by SC Global, Desaru Adventure Waterpark, Downton Abbey Touring Exhibition, Dubai Frame, Formula 1 Singapore Grand Prix, Heilan Horse Cultural Experience Pavilion, King Abdulaziz Center for World Culture, Madame Tussauds, National Day Parade 2017, TFWA Asia Pacific Exhibition & Conference 2017 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S$143.2 million in FY2017, a decrease of S$7.3 million or 4.9% compared to S$150.5 million in FY2016. The decrease in revenue was due to the softer retail industry in some of the markets. The key accounts which contributed to the division's revenue included clients and brand names such as Aldo, Birkenstock, Coach, DBS Bank, DFS Venture, Dior, Fendi, La Perla, Lululemon, Robinsons, Skechers, Tiffany & Co. and YATA.

The **Research & Design division** registered a revenue of S$15.5 million in FY2017, an increase of S$0.4 million or 2.9% compared to S$15.1 million in FY2016. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Gucci, 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$11.8 million in FY2017, a decrease of S$0.9 million or 7.2% from S$12.7 million in FY2016. 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, Shinnyo-en Singapore, StarHub and Techinnovation 2017.

Gross Profit

	Group		
	Year Ended		
	31 Dec 17 S$'000	**31 Dec 16** S$'000	**+/-** %
Revenue	307,254	329,707	-6.8%
Gross profit	77,198	83,447	-7.5%
Gross profit margin	25.1%	25.3%	

Gross profit for FY2017 decreased by S$6.2 million or 7.5% to S$77.2 million compared to S$83.4 million in FY2016. The decrease was mainly a result of the lower revenue registered. Gross profit margin remained stable at 25.1% in FY2017 compared to 25.3% in FY2016.

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		
	Year Ended		
	31 Dec 17 S$'000	**31 Dec 16** S$'000	**+/-** %
Depreciation of property, plant and equipment	2,001	2,429	-17.6%
Employee benefits expense	55,025	58,527	-6.0%
Other expenses	14,218	12,422	14.5%
Interest expense	534	596	-10.4%
	71,778	**73,974**	**-3.0%**

Lower operating expenses were incurred in FY2017 compared to FY2016. 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 FY2017. 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 net foreign exchange loss of S$1.6 million recorded in FY2017 compared to a net foreign exchange gain of S$0.3 million recorded in other income in FY2016. This arose mainly from the appreciation of the Singapore Dollar against the various currencies that the Group conducted its operations in, in particular the United States Dollar. The fall in interest expense was mainly due to a lower amount of loans and borrowings outstanding in FY2017 compared to FY2016.

Share of Results of Associates

Share of results of associates changed by S$0.5 million from a loss of S$0.2 million in FY2016 to a profit of S$0.3 million in FY2017. The change was mainly due to profit contribution from certain associates partially offset by loss contribution from an associate acquired in FY2016.

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (Cont'd)

Profit Net of Tax Attributable to Equity Holders of the Company

Based on the above, profit net of tax attributable to equity holders of the Company decreased by S$2.2 million or 18.1% from S$11.9 million in FY2016 to S$9.7 million in FY2017.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Equity Attributable to Equity Holders of the Company

Equity attributable to equity holders of the Company increased by S$4.1 million from S$116.8 million as at 31 December 2016 to S$120.9 million as at 31 December 2017. This was mainly due to movement in share capital of S$0.6 million and profit net of tax attributable to equity holders of the Company of S$9.7 million offset by dividend distribution of S$5.0 million to shareholders of the Company and foreign currency translation of S$1.2 million.

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 6 November 2017, the Group stated that, barring unforeseen circumstances, it expects FY2017 to be a profitable year. The FY2017 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's Exhibitions and Thematic division is in a strong position to tap on opportunities across Asia and the Middle East where the Group continues to see strong demand for its services and expertise in the exhibitions, events, museums and thematic industries. These industries continue to see good growth prospects. The line-up of projects and attractions already secured, and are currently being pursued, provide a good base on which the division will continue to grow its business in 2018 and beyond.

The Retail and Corporate Interiors division will continue to expand its reach and presence in the hospitality, corporate interior, food & beverage and mall public area market segments where there is good demand for its services, even as it continues to capitalise on opportunities in the high-end luxury, affordable luxury, fast fashion and travel retail market segments.

The Group will also continue to expand its business portfolio and skillsets, as evidenced by its entry into the development and operating of Location Based Entertainment through the recent collaboration with Hasbro International, Inc. for the development and operation of NERF family entertainment center attractions across Asia Pacific. A leader in action based performance toys with unparalleled performance, power and popularity, the NERF brand appeals to fans of all ages. Through its recently established subsidiary Kingsmen Xperience, Inc. in the United States, the Group aims to continue to grow and expand its portfolio of media/entertainment themed licences and is currently in discussions with several intellectual property owners for unique and themed attractions.

As at 31 January 2018, the Group has secured contracts of S$84 million, of which S$82 million is expected to be recognised in FY2018. Barring unforeseen circumstances, the Group expects FY2018 to be a profitable year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in SGD Cents)	1.50
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	Final
Dividend Type	Cash
Dividend Amount per Share (in SGD Cents)	1.50
Tax Rate	Tax exempt (one tier)

(c) Date payable

The above proposed dividends (the "Dividends"), subject to shareholders' approval at the forthcoming Annual General Meeting, will be paid on 31 May 2018.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will, subject to shareholders' approval of the Dividends at the forthcoming Annual General Meeting, be closed on 18 May 2018 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 17 May 2018 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 17 May 2018 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 year ended 31 December 2017.

14 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.

PART 2 – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the Group) with comparative information for the immediately preceding year.

2017	Exhibitions and Thematic S$'000	Retail and Corporate Interiors S$'000	Research and Design S$'000	Alternative Marketing S$'000	Corporate and Others S$'000	Eliminations S$'000	Per Consolidated Financial Statements S$'000
Revenue							
External customers	136,772	143,173	15,521	11,788	-		307,254
Inter-segment (Note A)	4,758	5,194	-	704	-	(10,656)	-
Total revenue	141,530	148,367	15,521	12,492	-	(10,656)	307,254
Results							
Interest income	127	180	14	3	85		409
Interest expense	(93)	(441)	-	-	-		(534)
Amortisation of intangible asset	(45)	(46)	-	-	-		(91)
Amortisation of land use right	-	-	-	-	(243)		(243)
Bad trade debts written off	(428)	(4)	(5)	-	-		(437)
Depreciation of property, plant and equipment	(1,682)	(1,198)	(145)	(42)	(68)		(3,135)
Dividend income from available-for-sale financial asset	-	-	-	-	80		80
Impairment loss on held-to-maturity investment	-	-	-	-	(14)		(14)
Net (loss)/gain on disposal of property, plant and equipment	-	(9)	-	-	10		1
Net write-back of impairment loss on doubtful trade receivables	22	-	-	-	-		22
Performance share scheme expense	(50)	(14)	(24)	(32)	-		(120)
Property, plant and equipment written off	-	-	-	-	(1)		(1)
Share of results of associates	169	172	9	-	-		350
Segment profit/(loss)	6,077	3,431	1,342	851	(1,533)		10,168

15 Segmented revenue and results for business or geographical segments (of the Group) with comparative information for the immediately preceding year. (Cont'd)

2016	Exhibitions and Thematic S$'000	Retail and Corporate Interiors S$'000	Research and Design S$'000	Alternative Marketing S$'000	Corporate and Others S$'000	Eliminations S$'000	Per Consolidated Financial Statements S$'000
Revenue							
External customers	151,435	150,486	15,083	12,703	-		329,707
Inter-segment (Note A)	7,653	3,789	170	1,505	-	(13,117)	-
Total revenue	159,088	154,275	15,253	14,208	-	(13,117)	329,707
Results							
Interest income	106	120	9	4	114		353
Interest expense	(99)	(497)	-	-	-		(596)
Amortisation of intangible asset	(45)	(46)	-	-	-		(91)
Amortisation of land use right	-	-	-	-	(243)		(243)
Bad trade debts written off	(58)	(146)	(2)	-	-		(206)
Depreciation of property, plant and equipment	(2,021)	(1,202)	(190)	(45)	(98)		(3,556)
Dividend income from available-for-sale financial asset	-	-	-	-	106		106
Gain on deemed disposal of interest in an associate	-	-	-	-	77		77
Impairment loss on held-to-maturity investment	-	-	-	-	(13)		(13)
Net gain on disposal of property, plant and equipment	11	36	-	32	-		79
Net (impairment loss)/write-back of impairment loss on doubtful trade receivables	(346)	(345)	-	5	-		(686)
Performance share scheme expense	(400)	-	(155)	(18)	-		(573)
Property, plant and equipment written off	(1)	(1)	-	-	(2)		(4)
Share of results of associates	350	(530)	(16)	-	-		(196)
Segment profit/(loss)	11,203	2,044	1,486	1,038	(1,421)		14,350

Note : Nature of eliminations to arrive at amounts reported in the consolidated financial statements is as follows:

A. Inter-segment revenue are eliminated on consolidation.

15 Segmented revenue and results for business or geographical segments (of the Group) with comparative information for the immediately preceding year. (Cont'd)

Segment revenue by geographical region

We have segmented our revenue by geographical region based on the location of our clients.

Revenue	Year Ended 31 Dec 17 S$000	%	Year Ended 31 Dec 16 S$000	%
North Asia	92,282	30.0%	98,030	29.7%
South Asia	163,428	53.2%	180,799	54.9%
Middle East	17,772	5.8%	22,724	6.9%
Europe	14,602	4.8%	10,228	3.1%
United States and Canada	15,971	5.2%	15,921	4.8%
Others	3,199	1.0%	2,005	0.6%
	307,254	**100.0%**	**329,707**	**100.0%**

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 for review of performance.

17 A breakdown of sales as follows:-

	Group Year ended 31 Dec 17 S$'000	31 Dec 16 S$'000	% Change + / (-)
Revenue reported for first half year	144,969	149,355	-2.9%
Operating profit after tax before deducting non-controlling interests reported for first half year	2,545	958	165.7%
Revenue reported for second half year	162,285	180,352	-10.0%
Operating profit after tax before deducting non-controlling interests reported for second half year	6,627	10,806	-38.7%

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Latest Full Year S$'000	Previous Full Year S$'000
Ordinary	4,978	5,944
Preference	-	-
Total	**4,978**	**5,944**

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any Director and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Ong Chin Kwan	60	Brother of Simon Ong Chin Sim (Deputy Executive Chairman, Executive Director and Substantial Shareholder)	Executive Director and Creative Director of Kingsmen Design Pte Ltd. He is responsible for charting the creative direction and developing its design capabilities, ensuring that all designs meet the aesthetic, functional and budgetary requirements of our clients. Position held since January 2000.	Not applicable

BY ORDER OF THE BOARD OF DIRECTORS

Soh Siak Poh Benedict
Executive Chairman

22 February 2018