

NEWS RELEASE

KINGSMEN'S RECOVERY MOMENTUM IMPACTED BY EMERGENCE OF NEW COVID-19 VARIANTS, REPORTS 1H 2021 NET LOSS OF S\$1.7 MILLION

- Revenue decreases 4.8% to S\$117.1 million
- Strong fundamentals to weather headwinds with healthy balance sheet
- Pipeline of projects secured stands at S\$272 million

1H 2021 Results Highlights

	1H 2021	1H 2020	Change
Revenue	S\$117.1m	S\$123.0m	-4.8%
Gross profit	S\$23.4m	S\$23.4m	-0.1%
Net loss	-S\$1.7m	-S\$5.3m	-67.9%

“While our business activities had picked up with good orders and enquiries, the emergence of new COVID-19 variants has resulted in lockdowns and restrictions, as well as delays to contract commitments. This has affected the momentum of our recovery, and disrupted our business and workflow, as we strive to deliver on committed projects and secure commitments for new ones.

With the market looking for new ways to engage their target audiences in this new environment, and our business operations better sized, we expect business momentum and recovery to resume once our markets have the variant outbreaks under control. In the meantime, we will continue to keep a tight rein on cost management and close to our clients, while looking for opportunities to expand our customer base and further enhance our service offerings.” said **Mr Andrew Cheng, Group CEO of Kingsmen.**

Singapore, August 13, 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\$1.7 million for the six months ended June 30, 2021 (“1H 2021”) compared to a net loss of S\$5.3 million for the previous corresponding period (“1H 2020”). Group revenue declined 4.8% to S\$117.1 million in 1H 2021, from S\$123.0 million in 1H 2020.

The **Exhibitions, Thematic & Attractions division** registered a revenue of S\$45.6 million in 1H 2021, a decrease of S\$20.7 million or 31.2% from S\$66.3 million in 1H 2020. The decrease in revenue was mainly due to the cancellation and postponement of physical trade shows, conferences and events by clients as the division continued to face headwinds due to international travel restrictions and social distancing requirements. Amid the pandemic, the growing demand for hybrid digital/virtual trade shows, conferences and events has enabled the division to secure some of these new projects. These, coupled with the division’s continued work on multiple thematic projects, have helped to partially offset the fall in revenue from the exhibition and events business.

The **Retail & Corporate Interiors division** recorded a revenue of S\$64.3 million in 1H 2021, an increase of S\$16.5 million or 34.6% compared to S\$47.8 million in 1H 2020. The division has remained agile and resilient during the ongoing difficulties of delays, disruptions and restrictions in project execution, and managed to capture opportunities that emerged which contributed positively to the division’s revenue.

The **Research & Design division** achieved a revenue of S\$6.0 million in 1H 2021, a decrease of S\$0.8 million or 11.3% from S\$6.8 million in 1H 2020. Although some projects were put on hold, the division continued to secure new projects and see numerous projects proceeding or completed as planned.

The **Alternative Marketing division** registered a revenue of S\$1.1 million in 1H 2021, a decrease of S\$1.0 million or 47.9% compared to S\$2.1 million in 1H 2020. The division was impacted by the fall in demand for brand activation events and projects following cancellation and postponement by clients.

Outlook for the rest of 2021 and beyond

Sharing the Group's outlook for the rest of 2021 and beyond, Mr Cheng said: "We look to regain our recovery momentum once the pandemic situation stabilises and regional economies open up.

For the exhibition and events business, several trade shows, conferences and events planned for later part of the year have had to be postponed or cancelled, and while clients continue to be cautious in committing projects, we are beginning to see more enquiries for 2022 and beyond. The thematic market continues to be buoyant and we are occupied managing and delivering on multiple projects, while pitching for new ones.

Our Retail & Corporate Interiors division is witnessing good projects and enquiries from existing and new clients, who are looking for new solutions, as they plan and prepare to operate in the new environment.

Our Research & Design division continues to be busy, led by interest and plans for the opening up of markets, and the desire for new experiences and concepts.

While the pandemic continues to impact the regional attractions industry due to safe distancing and travel restrictions, the markets of US and Europe are already opened and there is good demand for activity and engagement platforms there. We will continue to push our expansion plans towards these overseas markets. While our business continues to be impacted by the current situation, the pandemic has revealed new needs and opportunities. We will continue to invest in strengthening our capabilities to meet the current and future needs of the market."

As at 31 July 2021, the Group has secured contracts of S\$272 million, of which S\$228 million is expected to be recognised in 2021.

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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