



NEWS RELEASE

KINGSMEN REPORTS 70% GROWTH IN NET PROFIT IN 1HFY2005

	1HFY05	1HFY04	Change
Turnover	S\$28.1m	S\$26.4m	7%
Gross profit	S\$7.7m	S\$6.6m	18%
Net profit	S\$0.7m	S\$0.4m	70%
Diluted EPS	0.70 cent	0.42 cent	67%

Singapore, August 13, 2005 – Kingsmen Creatives Ltd (“Kingsmen” or “the Group”), a leading communications design and production group in Asia Pacific and the Middle East, today announced that its net profit increased 70% to S\$0.7 million for the six months ended June 30, 2005 (“1HFY2005”). This was on the back of a 7% rise in revenue to S\$28.1 million, compared to S\$26.4 million in the previous corresponding period.

Mr Benedict Soh, Group Managing Director of Kingsmen, said: “I am pleased with the Group’s first half performance. We continue to see growing contribution from our overseas offices and from the expansion of our services and solutions through the acquisition of our regional affiliates. Looking ahead, we intend to capitalise on opportunities from emerging markets, continue to enlarge our regional operations and explore ways to provide a more comprehensive range of services.”

Performance Review

The Group's revenue increase in 1HFY2005 was mainly driven by business growth in its Interiors division, as well as its newly-acquired subsidiaries, namely Kingsmen Indochina Pte Ltd and Kingsmen Vietnam Company Limited.

"Despite the competitive environment in the retail and office fit-out industry, we managed to achieve a higher turnover for our Interiors division in 1HFY2005 compared to the same period last year. This is attributed to major overseas fit-out projects for new travel retail shops in Guam and Okinawa, as well as several motor showrooms in Singapore," explained Mr Soh.

Revenue from the Group's Integrated Marketing Communications division has also increased in 1HFY2005, primarily as a result of contribution from the newly-acquired subsidiaries operating in Vietnam.

In terms of geographical performance, the Singapore market accounted for 56% of Group revenue, followed by Malaysia with 13%. The Group's other key markets, the rest of Asia and the United States, contributed 18% and 10% respectively.

The Group's gross profit grew by 18% to S\$7.7 million in 1HFY2005, from S\$6.6 million in the same period last year. Gross profit margin was 28% in 1HFY2005, compared to 25% in the previous corresponding period.

Operating expenses increased by 15% to S\$7.5 million in 1HFY2005, due to the inclusion of the results of the operations of Kingsmen Indochina Pte Ltd and Kingsmen Vietnam Company Limited, as well as increase in operating expenses of the Group's Singapore and Malaysian subsidiaries.

Correspondingly, the Group's net profit rose 70% to S\$0.7 million in 1HFY2005.

As at July 31, 2005, the Group's confirmed contracts/sales totalled S\$47.0 million, including the S\$28.1 million sales reported in 1HFY2005.

Prospects for FY2005

Going forward, the Group will continue to allocate its resources to grow its exports in the Asia-Pacific region, United States and Europe, where the Group has the advantage in producing cost-competitive, high quality fixtures for retail interiors.

The Group will also focus on key accounts and continue to offer "roll-out programmes" to cater to the regional needs of each client.

"We believe that the Vietnam market will provide further growth opportunities for us, given the recent increase in investor confidence, growth in the tourism industry, new infrastructure projects planned by the Vietnamese government, and the boom in the retail sector and exhibition sector," noted Mr Soh.

The Group has also recently established an Indonesia subsidiary to cater to the anticipated boom in the country's retail sector.

As in previous years, the Group expects to achieve higher revenue in the second half of the year.

About Kingsmen Creatives Ltd.

Listed on the SGX-SESDAQ in 2003, Kingsmen is a leading communications design and production group in Asia Pacific and the Middle East. Established in 1976, its four business segments comprise Exhibitions & Museums, Retail & Office Interiors, Research & Design, and Integrated Marketing Communications.

Kingsmen offers a “one-stop-shop” solution through a vertical and horizontal integration of services, giving their clients the benefits of convenience and cost savings. Building on its design-led, quality and service-driven culture, the Group has established a visible brand name that is synonymous with creative and innovative solutions.

Together with its affiliates, Kingsmen has a regional network of 16 offices and full-service facilities in Asia Pacific and the Middle East. The Group has a long-standing base of clients from diverse industries including well-known names such as Robinsons, DFS Venture, Dickson Group, F J Benjamin, Burberry, Asian Aerospace and Reed Exhibitions.

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