

UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2009
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (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 09 S\$'000	30 Jun 08 S\$'000	+/- %	30 Jun 09 S\$'000	30 Jun 08 S\$'000	+/- %
Revenue		53,004	35,797	48.1%	88,697	77,424	14.6%
Cost of sales		(37,238)	(22,114)	68.4%	(63,325)	(53,325)	18.8%
Gross profit		15,766	13,683	15.2%	25,372	24,099	5.3%
Other items of income							
Interest income		22	23	-4.3%	55	58	-5.2%
Other income	(a)	376	768	-51.0%	1,834	1,327	38.2%
Other items of expense							
Depreciation of property, plant and equipment		(415)	(533)	-22.1%	(906)	(1,015)	-10.7%
Staff salaries and related expenses		(8,443)	(7,248)	16.5%	(14,719)	(12,788)	15.1%
Other expenses		(2,613)	(2,268)	15.2%	(4,423)	(4,574)	-3.3%
Interest expense		(26)	(35)	-25.7%	(50)	(60)	-16.7%
Share of results of associates	(b)	119	55	116.4%	196	40	390.0%
Profit before tax	(c)	4,786	4,445	7.7%	7,359	7,087	3.8%
Income tax expense	(d)	(951)	(838)	13.5%	(1,263)	(1,301)	-2.9%
Profit net of tax		3,835	3,607	6.3%	6,096	5,786	5.4%
Attributable to:							
Equity holders of the parent		3,542	3,272	8.3%	5,891	5,447	8.2%
Minority interests		293	335	-12.5%	205	339	-39.5%
		3,835	3,607		6,096	5,786	

Consolidated statement of comprehensive income

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 09 S\$'000	30 Jun 08 S\$'000	+/- %	30 Jun 09 S\$'000	30 Jun 08 S\$'000	+/- %
Profit net of tax	3,835	3,607	6.3%	6,096	5,786	5.4%
Other comprehensive income:						
Foreign currency translation	(661)	(27)	2348.1%	176	(663)	n/m
Other comprehensive income for the period, net of tax	(661)	(27)		176	(663)	
Total comprehensive income for the period	3,174	3,580	-11.3%	6,272	5,123	22.4%
Total comprehensive income attributable to:						
Equity holders of the parent	2,962	3,237	-8.5%	6,053	4,806	25.9%
Minority interests	212	343	-38.2%	219	317	-30.9%
	3,174	3,580		6,272	5,123	

Note :

Certain prior year's comparative figures have been reclassified to conform with the current year's presentation

n/m = not meaningful

Explanatory notes

(a) Other income comprises :

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 09	30 Jun 08	30 Jun 09	30 Jun 08
	S\$'000	S\$'000	S\$'000	S\$'000
Corporate fee income	(53)	137	337	261
Jobs Credit grant	15	-	358	-
Management fee income	57	176	232	288
Miscellaneous income	28	182	196	229
Net bad trade debt recovery	18	5	113	5
Net gain on disposal of property, plant & equipment	-	-	10	-
Rental income	311	268	588	544
	376	768	1,834	1,327

(b) The share of results of associates was restated to exclude the amortisation on provisional intangible assets which arose from the acquisition of Kingsmen Middle East LLC ("KME"). In 2H 2008, the management completed the valuation exercise and finalized that there was no intangible assets relating to customer relationship in KME and the excess of the cost of acquisition over the share of net identifiable assets at acquisition date was recognised as goodwill.

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

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 09	30 Jun 08	30 Jun 09	30 Jun 08
	S\$'000	S\$'000	S\$'000	S\$'000
Allowance for doubtful trade debts	1	25	1	25
Amortisation of intangible assets	89	82	182	167
Directors' remuneration	2,308	2,311	3,591	3,633
Inventories recognised as an expense in cost of sales	27	74	61	140
Net foreign exchange loss	471	295	120	509
Net loss on disposal of property, plant and equipment	-	2	-	7
Operating lease expenses	759	711	1,568	1,400
Property, plant and equipment written off	-	1	-	3

(d) Included in income tax expense are over provision of income tax relating to prior years of S\$Nil for 2Q 09 (2Q 08: S\$5,000) and S\$64,000 for 1H 09 (1H 08: S\$89,000) respectively.

1(b)(i)A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		Company	
	Note	As at 30 Jun 09 S\$'000	As at 31 Dec 08 S\$'000	As at 30 Jun 09 S\$'000	As at 31 Dec 08 S\$'000
ASSETS					
Non-current assets					
Plant and equipment		10,759	12,154	227	234
Intangible assets	(e)	6,727	6,838	-	-
Investments in subsidiaries		-	-	16,082	16,082
Investments in associates		6,235	6,165	5,364	5,364
Other investments	(f)	805	1,857	805	805
Other receivables		81	88	-	-
		24,607	27,102	22,478	22,485
Current assets					
Inventories		47	35	-	-
Gross amount due from customers for contract work-in-progress	(g)	18,395	7,631	-	-
Trade receivables	(h)	33,148	41,001	1,339	1,592
Other receivables		4,882	5,173	1,428	1,057
Prepaid operating expenses		287	168	8	32
Amounts due from subsidiaries		-	-	1,781	745
Cash and cash equivalents	(i)	21,425	28,151	1,539	1,161
		78,184	82,159	6,095	4,587
Total assets		102,791	109,261	28,573	27,072
EQUITY AND LIABILITIES					
Current liabilities					
Gross amount due to customers for contract work-in-progress		3,957	2,906	-	-
Trade payables	(h)	18,327	28,748	12	380
Deferred income		1,728	3,182	150	-
Other payables and accruals		23,277	21,677	731	1,126
Amounts due to subsidiaries		-	-	3,069	2,324
Loan and borrowings		612	841	-	-
Income tax payable		5,069	4,917	445	478
		52,970	62,271	4,407	4,308
NET CURRENT ASSETS		25,214	19,888	1,688	279
Non-current liabilities					
Other payables		90	83	-	-
Loan and borrowings		342	597	-	-
Deferred tax liabilities		848	890	19	19
		1,280	1,570	19	19
Total liabilities		54,250	63,841	4,426	4,327
Net assets		48,541	45,420	24,147	22,745
Equity attributable to equity holders of the parent					
Share capital		23,266	23,266	23,266	23,266
Treasury shares		(1,850)	(1,850)	(1,850)	(1,850)
Retained earnings		24,905	21,855	2,731	1,329
Other reserves		(403)	(565)	-	-
		45,918	42,706	24,147	22,745
Minority interests		2,623	2,714	-	-
Total equity		48,541	45,420	24,147	22,745
Total equity and liabilities		102,791	109,261	28,573	27,072

Explanatory notes

(e) Intangible assets

	Group	
	As at 30 Jun 09	As at 31 Dec 08
	S\$'000	S\$'000
Goodwill	6,605	6,552
Customer relationship intangible assets	<u>1,772</u>	<u>1,754</u>
	8,377	8,306
Less : Accumulated amortisation and impairment	<u>(1,650)</u>	<u>(1,468)</u>
Total	<u>6,727</u>	<u>6,838</u>

(f) Other investments

	Group		Company	
	As at 30 Jun 09	As at 31 Dec 08	As at 30 Jun 09	As at 31 Dec 08
	S\$'000	S\$'000	S\$'000	S\$'000
Unquoted equity shares	805	805	805	805
Unquoted investment fund	<u>-</u>	<u>1,052</u>	<u>-</u>	<u>-</u>
Total	<u>805</u>	<u>1,857</u>	<u>805</u>	<u>805</u>

Unquoted investment fund which is based in the People's Republic of China, had been sold at a gain of S\$17,000 in Q1 2009.

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

Increase in gross amount due from customers for contract work-in-progress was mainly due to the few major projects undertaken at Universal Studio Singapore.

(h) Trade receivables and Trade payables

There were substantial collections from trade receivables and substantial payment made to trade payables during the financial period.

(i) Cash and cash equivalents

	Group		Company	
	As at 30 Jun 09	As at 31 Dec 08	As at 30 Jun 09	As at 31 Dec 08
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and in hand	15,309	24,347	504	127
Short-term deposits	<u>6,116</u>	<u>3,804</u>	<u>1,035</u>	<u>1,034</u>
Total	<u>21,425</u>	<u>28,151</u>	<u>1,539</u>	<u>1,161</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 09		As at 31 Dec 08	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
612	-	841	-

Amount repayable after one year

As at 30 Jun 09		As at 31 Dec 08	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
342	-	597	-

Details of any collateral

Bank overdrafts are secured by fixed deposits pledged to the banks, by personal guarantees given by certain directors of the Company and its subsidiaries; corporate guarantee of the Company and its subsidiary in Malaysia.

Finance lease obligations of the Group are secured by the rights to the leased equipment, machinery and motor vehicles.

1(c) A cash flow statement (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 09 S\$'000	30 Jun 08 S\$'000	30 Jun 09 S\$'000	30 Jun 08 S\$'000
Cash flows from operating activities				
Profit before tax	4,786	4,445	7,359	7,087
Adjustments for:				
Depreciation of property, plant and equipment	415	533	906	1,015
Loss/(gain) on disposal of property, plant and equipment (net)	-	2	(10)	7
Income from other investment	-	-	(17)	-
Property, plant & equipment written off	-	1	-	3
Allowance for doubtful trade debts	1	25	1	25
Amortisation of intangible assets	89	82	182	167
Interest income	(22)	(23)	(55)	(58)
Interest expense	26	35	50	60
Share of results of associates	(119)	(55)	(196)	(40)
Currency realignment	226	(444)	(87)	(317)
Total adjustments	616	156	774	862
Operating cash flows before changes in working capital	5,402	4,601	8,133	7,949
Changes in working capital:				
Decrease in trade and other receivables	1,561	10,212	8,118	12,759
(Increase)/decrease in inventories	(14)	10	(12)	91
(Increase)/decrease in contracts work-in-progress (net)	(9,857)	1,072	(10,213)	(2,360)
Increase/(decrease) in trade and other payables	2,378	(6,656)	(8,814)	(10,231)
Cash flows (used in)/from operations	(530)	9,239	(2,788)	8,208
Interest received	22	23	55	58
Interest paid	(26)	(35)	(50)	(60)
Income tax paid	(1,165)	(898)	(1,186)	(1,069)
Net cash flows (used in)/from operating activities	(1,699)	8,329	(3,969)	7,137
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	13	4	23	12
Purchase of property, plant and equipment	(138)	(727)	(426)	(1,056)
Acquisition of additional preference shares in associates	-	(264)	-	(264)
Acquisition of other investment	-	-	-	(588)
Proceeds from disposal of other investment	-	1,175	1,144	1,175
Dividend received from associates	-	-	7	-
Net cash flows (used in)/from investing activities	(125)	188	748	(721)
Cash flows from financial activities				
Decrease/(increase) in amount pledged to banks for banking facilities	19	(479)	7	(322)
Proceeds from loan and borrowings	-	-	2,500	-
Dividend paid on ordinary shares	(2,841)	(3,804)	(2,841)	(3,804)
Dividend paid to minority shareholders of the subsidiaries	(310)	(81)	(310)	(81)
Issuance of ordinary shares by placement	-	1,640	-	1,640
Share issue expense	-	(35)	-	(35)
Exercise of employee share options	-	-	-	66
Repayment of finance lease obligations	(169)	(268)	(399)	(360)
Repayment of long-term bank borrowings	(2,500)	(16)	(2,677)	(27)
Net cash flows used in financing activities	(5,801)	(3,043)	(3,720)	(2,923)
Net (decrease)/increase in cash and cash equivalents	(7,625)	5,474	(6,941)	3,493
Effect of exchange rate changes on cash and cash equivalents	(664)	473	159	315
Cash and cash equivalents at beginning of period	28,673	18,299	27,166	20,438
Cash and cash equivalents at end of period	20,384	24,246	20,384	24,246

Explanatory notes

(j) Cash and cash equivalents included in the consolidated cash flow statement comprise the following:-

	Group	
	As at 30 Jun 09 S\$'000	As at 30 Jun 08 S\$'000
Cash and short term deposits	21,425	25,417
Bank overdrafts	(153)	-
	21,272	25,417
Amount pledged to banks for banking facilities	(888)	(1,171)
Cash and cash equivalents	20,384	24,246

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 parent						
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the parent, total S\$'000	Minority interests S\$'000	Equity, total S\$'000
As at 1 January 2008	21,603	-	14,335	(182)	35,756	1,639	37,395
Total comprehensive income/ (expense) for the period	-	-	2,175	(606)	1,569	(26)	1,543
Exercise of employee share options	66	-	-	-	66	-	66
Transfer of share option reserve to share capital	25	-	-	(25)	-	-	-
As at 31 March 2008	21,694	-	16,510	(813)	37,391	1,613	39,004
Total comprehensive income/ (expense) for the period	-	-	3,272	(35)	3,237	343	3,580
Issuance of ordinary shares	1,640	-	-	-	1,640	-	1,640
Share issue expense	(35)	-	-	-	(35)	-	(35)
Dividends on ordinary shares	-	-	(3,804)	-	(3,804)	-	(3,804)
Dividends paid to minority interests	-	-	-	-	-	(165)	(165)
As at 30 June 2008	23,299	-	15,978	(848)	38,429	1,791	40,220
As at 1 January 2009	23,266	(1,850)	21,855	(565)	42,706	2,714	45,420
Total comprehensive income for the period	-	-	2,349	742	3,091	7	3,098
As at 31 March 2009	23,266	(1,850)	24,204	177	45,797	2,721	48,518
Total comprehensive income/ (expense) for the period	-	-	3,542	(580)	2,962	212	3,174
Dividends on ordinary shares	-	-	(2,841)	-	(2,841)	-	(2,841)
Dividends paid to minority interests	-	-	-	-	-	(310)	(310)
As at 30 June 2009	23,266	(1,850)	24,905	(403)	45,918	2,623	48,541

Company	Attributable to equity holders of the parent				
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
As at 1 January 2008	21,603	-	4,695	25	26,323
Total comprehensive expense for the period	-	-	(61)	-	(61)
Exercise of employee share options	66	-	-	-	66
Transfer of share option reserve to share capital	25	-	-	(25)	-
As at 31 March 2008	21,694	-	4,634	-	26,328
Total comprehensive income for the period	-	-	359	-	359
Issuance of ordinary shares	1,640	-	-	-	1,640
Share issue expense	(35)	-	-	-	(35)
Dividends on ordinary shares	-	-	(3,804)	-	(3,804)
As at 30 June 2008	23,299	-	1,189	-	24,488
As at 1 January 2009	23,266	(1,850)	1,329	-	22,745
Total comprehensive income for the period	-	-	351	-	351
As at 31 March 2009	23,266	(1,850)	1,680	-	23,096
Total comprehensive income for the period	-	-	3,892	-	3,892
Dividends on ordinary shares	-	-	(2,841)	-	(2,841)
As at 30 June 2009	23,266	(1,850)	2,731	-	24,147

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares, excluding treasury shares 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.**

Share capital and treasury shares

	Group and Company	
	30 Jun 09	31 Dec 08
	'000	'000
Issued and fully paid-up share capital:		
As at beginning of period / year	194,183	126,474
Exercise of employee share options	-	315
Issuance of ordinary shares by placement	-	4,000
Share split	-	63,394
	194,183	194,183
As at end of period / year		
No. of treasury shares as at end of period / year	(4,802)	(4,802)

- 1(d) (iii) 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.**

	30 Jun 09	31 Dec 08
Total number of issued shares (excluding treasury shares) ('000)	189,381	189,381

- 1(d) (iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have neither been audited nor reviewed by the 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 Note 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the current period's financial statements as compared with those used in the audited financial statements for the year ended 31 December 2008.

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 and the Company have adopted the following new and revised FRSs that are effective for annual periods beginning on or after 1 January 2009:

FRS 1	- Presentation of Financial Statements (Revised)
FRS 23	- Amendment to FRS 23, Borrowing Costs
FRS 108	- Operating Segments

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

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 09	30 Jun 08	30 Jun 09	30 Jun 08
Net profit for the period attributable to ordinary shareholders for basic and diluted earnings per share (S\$'000)	3,542	3,272	5,891	5,447
Weighted average number of ordinary shares in issue ('000)	189,381	190,403	189,381	190,063
Effect of dilutive securities : Share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per shares ('000)	189,381	190,403	189,381	190,063
Earnings per share based on weighted average number of ordinary shares in issue (cents)	1.87	1.72	3.11	2.87
Earnings per share on fully diluted basis (cents)	1.87	1.72	3.11	2.87

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares, excluding treasury shares, during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares, excluding treasury shares, after adjusting for the effects of potential dilutive ordinary shares, during the period.

**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 09	As at 31 Dec 08	As at 30 Jun 09	As at 31 Dec 08
Net asset value, net of minority interest (S\$'000)	45,918	42,706	24,147	22,745
Number of ordinary shares, excluding treasury shares ('000)	189,381	189,381	189,381	189,381
Net asset value per share (cents)	<u>24.25</u>	<u>22.55</u>	<u>12.75</u>	<u>12.01</u>

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

The Group registered a strong growth in revenue for current quarter, with a significant increase of S\$17.2 million or 48.1% to S\$53.0 million compared to S\$35.8 million for the same period last year. The Group's year-to-date revenue of S\$88.7 million was S\$11.3 million or 14.6% higher compared to S\$77.4 million for 1H 2008. The overall improvement was due to better top-line performance across all the business divisions, especially Interior division and Exhibitions and Museums division.

The **Exhibitions and Museums division** performed well with higher revenue of S\$27.0 million for 2Q 2009, which was S\$3.0 million or 12.7% above that of 2Q 2008. To date, the division posted revenue of S\$46.4 million, which was S\$8.2 million or 21.6% above that of 1H 2008. Contributor to 1H 2009's revenue included major exhibition events such as Idex Abu Dhabi 2009, TFWA Asia Pacific 2009 and a series of exhibition projects for Nissan/Infinity for automobile shows in major cities in China. Currently, significant progress has been made on the works for Universal Studio Singapore and Bank Negara Museum in Malaysia.

The **Interiors division** generated higher revenue of S\$23.4 million in 2Q 2009, which was almost doubled that for same period last year. In 1H 2009, the division's revenue of S\$36.9 million was S\$1.3 million or 4.0% above that of 1H 2008. The Group's strategy of managing key accounts and undertaking "roll-out programmes" for these key accounts has continued to be an avenue of sustainable growth. These key accounts include customers and brand names such as Burberry, Cotton On, Chanel, FJ Benjamin, Polo Ralph Lauren, RSH Singapore, Swarovski and Tiffany & Co. In addition, the fixture export business and fit-out jobs carried out for branded boutiques at ION Orchard also contributed to the division's revenue.

Revenue from the **Research and Design division** increased from S\$1.1 million in 2Q 2008 to S\$1.5 million in 2Q 2009. To date, the division's revenue of S\$2.3 million in 1H 2009 was comparable with that of 1H 2008. The **IMC division** achieved higher revenue of S\$1.1 million in 2Q 2009 as compared to S\$0.4 million in the same period last year and the year-to-date revenue was S\$3.1 million as compared with S\$1.3 million for 1H 2008

Gross Profit

In line with higher revenue, gross profit for 2Q 2009 and 1H 2009 increased by S\$2.1 million (15.2%) and S\$1.3 million (5.3%) to S\$15.8 million and S\$25.4 million respectively. However, overall gross profit margin for 2Q 2009 and 1H 2009 declined due to the larger scale projects undertaken at Universal Studio Singapore which yielded good absolute gross profits but thinner margins.

Other Income

Other income comprises items set out in Note 1(a)(a).

Other Items of Expenses

Compared to 2Q 2008, operating expenses increased from S\$10.0 million to S\$11.5 million for 2Q 2009 due to the following:-

- i) increase in staff salaries and related expenses of S\$1.2 million to S\$8.4 million;
 - ii) increase in net foreign exchange loss of S\$0.2 million to S\$0.5 million; and
- the above increases are offset by:-
- iii) decrease in depreciation of property, plant and equipment of S\$0.1 million as a result of some plant & machinery being fully depreciated by the end of FY2008.

For the first six months, operating expenses increased from S\$18.4 million to S\$20.0 million due to the following:-

- i) increase in staff salaries and related expenses of S\$1.9 million to S\$14.7 million;
 - ii) increase in operating lease expenses of S\$0.2 million to S\$1.6 million; and
- the above increases are offset by:-
- iii) decrease in net foreign exchange loss of S\$0.4 million to S\$0.1 million.

Interest Income

This relates mainly to interest income derived from fixed deposits and bank balances with the banks.

Share of Results of Associates

The share of results of associates was higher in 2Q 2009, due mainly to better performances by Enterprise Sports Group Pte Ltd and Ascend Com Pte Ltd but partially offset by lower share of results from Kingsmen Nikko Limited.

Overall for 1H 2009, the share of results of associates has improved due mainly to better results from Enterprise Sports Group Pte Ltd, Kingsmen (Korea) Limited and Kingsmen Middle East LLC.

Net Profit after MI

The Group recorded a higher net profit after MI of S\$3.5 million, 8.3% above that of 2Q 2008 of S\$3.3 million. Likewise, the net profit after MI for 1H 2009 increased 8.2% to S\$5.9 million compared to S\$5.4 million for the same period last year.

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

Net Assets (Exclude MI)

Net assets of the Group increased by S\$3.2 million from S\$42.7 million to S\$45.9 million. This was mainly contributed by the growth of the Group's business and the profits retained in the business after dividend distribution of S\$2.8 million to shareholders.

Intangible Assets

Please refer to Note 1(b)(i)(e) for the details of intangible assets . The decrease in intangible assets was due to amortization of S\$182,000, which was partially offset by translation difference.

Investment in Associates

This comprises the investments in Ascend Com Pte Ltd, Kingsmen (Korea) Limited, Kingsmen Nikko Limited, Kingsmen Middle East LLC and Enterprise Sports Group Pte Ltd and its subsidiaries.

Other Investments

Please refer to Note 1(b)(i)(f) for the details of other investments.

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 2009, we stated that the Group expects to continue to do well in FY2009. Our second quarter results are broadly in line with this statement.

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.

2009 kicked off as an exciting year for the Group, with the impending opening of the Integrated Resorts and the proposed revamp of Orchard Road which sparked a makeover drive by several mid to high-end retail brands. These, together with the opening of ION Orchard in early July which saw the Group completed the fit-out of some 20 stores/boutiques, have kept the Group busy throughout the first half of FY2009.

We are confident that the integrated resorts will be successful, creating positive spin-off for the Singapore economy. We expect to see strong demand for our expertise in design, fabrication and maintenance of interior fit-out works for shops and boutiques within the resorts and theme park, as well as for the upgrading and opening of new malls and shops along Orchard Road. We also envisage the resurgence of the MICE industry and good demand for our services in exhibitions and conventions once the IRs open.

By the end of this year, we would have completed some S\$76 million worth of contracts relating to Universal Studios Singapore. In 2010, we would embark on Phase 2 of the Universal Studios project which includes several parcels of works which should generate significant income. With the experience gained, we now have the capabilities to carry out thematic and scenic construction works and are well positioned to bid for future theme parks in the Middle East and Asia regions.

The success of Singapore's Formula 1 race in 2008 has been encouraging and our five year contract, with an annual revenue of at least S\$7 million, will provide recurring source of income for this year and the next three years. It has also provided us with the capabilities to market and support such mega events overseas.

Our focus on key accounts and roll-out management services for our interior business continues to show results. In addition, we have also secured repeat orders from globally renowned retailers, most recently Polo Ralph Lauren, to provide fixtures for their shops in Europe. This segment of our business is especially promising, in light of the need from global brands for high quality but cost effective solutions for the fit-out of their retail outlets around the world, in line with their global expansion plans.

Going beyond 2009, we have started planning for the Shanghai World Expo which will begin in May 2010. It is estimated that 200 countries and global brands will build and exhibit in pavilions at the six-month-long show. With our track record in pavilion construction including those for Singapore, USA, Japan, Korea, Germany, Italy, France and Egypt in International trade shows, we are confident of securing several projects. 2010 will also see us supporting the inaugural Youth Olympic Games to be held in Singapore in August 2010.

As at 12th August 2009, our confirmed sales/contracts have built up to approximately S\$208 million, of which S\$188 million is expected to be recognized in FY2009.

Given the strong pipeline of contracts and the visibility and demand for our services, we are confident that we will continue to do well in FY2009, barring unforeseen circumstances.

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 cents)	1.50 cent (tax exempt) (1-tier)
Tax Rate	Not applicable

(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 cents)	1.50 cent (tax exempt) (1-tier)
Tax Rate	Not applicable

(c) Date payable

30th September 2009.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of Kingsmen Creatives Ltd. (the "Company") will be closed on 18th September 2009 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate Advisory Services Pte Ltd at 3 Church Street #08-01 Samsung Hub Singapore 049483 up to 5.00 p.m. on 17th September 2009 will be registered to determine shareholders' entitlements to the such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 17th September 2009 will be entitled to the interim dividend.

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

Not applicable.

13. Pursuant to Rule 1207(16), please provide the information required by Rule 907 in respect of any interested person transactions entered into during the financial period.

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the financial period ended 30 June 2009.

14. Confirmation by the Board pursuant to Rule 705(4) of the listing manual.

We, Soh Siak Poh Benedict and Simon Ong Chin Sim, being Directors of Kingsmen Creatives Ltd. ("the Company"), do hereby confirm, for and 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 which may render the unaudited interim financial results for the second quarter ended 30 June 2009 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Soh Siak Poh Benedict
Executive Chairman

Simon Ong Chin Sim
Group Managing Director

13 August 2009

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman
13 August 2009