

**UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2014**
**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		Change
		30 Jun 14 S\$'000	30 Jun 13 S\$'000	30 Jun 14 S\$'000	30 Jun 13 S\$'000	
<b>Revenue</b>		82,942	79,875	136,921	122,446	11.8%
<b>Cost of sales</b>		(61,542)	(59,331)	(100,859)	(88,828)	13.5%
<b>Gross profit</b>		21,400	20,544	36,062	33,618	7.3%
<b>Other items of income</b>						
Interest income		117	145	163	176	-7.4%
Other income	(a)	1,162	1,166	2,293	2,375	-3.5%
<b>Other items of expense</b>						
Depreciation of property, plant and equipment		(503)	(419)	(980)	(810)	21.0%
Staff salaries and related expenses		(12,914)	(11,691)	(22,899)	(20,497)	11.7%
Other expenses		(3,503)	(2,818)	(8,284)	(5,833)	42.0%
Interest expense		(57)	(89)	(108)	(163)	-33.7%
<b>Share of results of associates</b>		756	326	1,270	771	64.7%
<b>Profit before tax</b>	(b)	6,458	7,164	7,517	9,637	-22.0%
<b>Income tax expense</b>	(c)	(1,222)	(1,430)	(1,336)	(1,900)	-29.7%
<b>Profit net of tax</b>		5,236	5,734	6,181	7,737	-20.1%
<b>Profit attributable to:</b>						
Owners of the Company		5,309	5,387	6,229	7,614	-18.2%
Non-controlling interests		(73)	347	(48)	123	n/m
		5,236	5,734	6,181	7,737	
<b>Consolidated statement of comprehensive income</b>						
<b>Profit net of tax</b>		5,236	5,734	6,181	7,737	-20.1%
<b>Other comprehensive income:</b>						
Item that may be reclassified subsequently to profit or loss						
Foreign currency translation		(716)	471	(598)	752	n/m
<b>Total comprehensive income for the period</b>		4,520	6,205	5,583	8,489	-34.2%
<b>Total comprehensive income attributable to:</b>						
Owners of the Company		4,507	5,828	5,562	8,312	-33.1%
Non-controlling interests		13	377	21	177	-88.1%
		4,520	6,205	5,583	8,489	

Note

n/m = not meaningful

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)**

**Explanatory notes to income statement**

(a) Other income comprises :

	<b>Group</b>			
	<b>Second Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 Jun 14</b>	<b>30 Jun 13</b>	<b>30 Jun 14</b>	<b>30 Jun 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Corporate fee income	78	144	347	390
Dividend income from other investment	-	-	-	182
Other service income	538	418	844	740
Net allowance for doubtful trade debts written back	4	-	4	-
Net foreign exchange gain	36	7	72	61
Net gain on disposal of property, plant & equipment	49	-	89	-
Rental income	362	375	729	726
Miscellaneous income	95	222	208	276
	<b>1,162</b>	<b>1,166</b>	<b>2,293</b>	<b>2,375</b>

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

	<b>Group</b>			
	<b>Second Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 Jun 14</b>	<b>30 Jun 13</b>	<b>30 Jun 14</b>	<b>30 Jun 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	31	-	44	-
Net bad trade debts written off	28	23	28	23
Directors' remuneration	2,277	2,354	3,563	3,710
Inventories recognised as an expense in cost of sales	927	38	1,958	82
Net allowance for doubtful trade debts	-	21	-	60
Operating lease expenses	879	890	1,775	1,905

(c) Included in income tax expense are under-provision of income tax relating to prior years of S\$66,000 for 2Q 14 (2Q 13: over-provision S\$17,000) and S\$66,000 for 1H 14 (1H 13: S\$9,000) 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.**

Note	Group		Company	
	As at 30 Jun 14 S\$'000	As at 31 Dec 13 S\$'000	As at 30 Jun 14 S\$'000	As at 31 Dec 13 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12,108	11,311	282	237
Intangible assets	7,385	4,939	-	-
Investments in subsidiaries	-	-	22,496	19,859
Investments in associates	8,735	9,415	4,012	6,067
Other investments	1,093	1,635	1,093	1,635
Other receivables	459	343	-	-
Deferred tax assets	411	338	-	-
	30,191	27,981	27,883	27,798
<b>Current assets</b>				
Inventories	2,395	1,561	-	-
Gross amount due from customers for contract work-in-progress	(d) 30,288	18,586	-	-
Trade and other receivables	(e) 84,164	95,561	3,511	3,600
Income tax recoverable	254	512	-	-
Amounts due from subsidiaries	-	-	813	531
Amounts due from associates	-	772	-	469
Prepaid operating expenses	547	803	8	29
Cash and short-term deposits	(f) 67,849	63,722	5,978	5,454
	185,497	181,517	10,310	10,083
<b>Total assets</b>	<b>215,688</b>	<b>209,498</b>	<b>38,193</b>	<b>37,881</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Gross amount due to customers for contract work-in-progress	(g) 16,423	6,299	-	-
Trade and other payables	(h) 92,484	98,041	858	1,528
Deferred income	2,469	2,870	-	-
Amounts due to subsidiaries	-	-	74	-
Amounts due to associates	990	1,081	-	-
Loans and borrowings	4,231	2,800	-	-
Income tax payable	5,740	6,833	238	231
	122,337	117,924	1,170	1,759
<b>NET CURRENT ASSETS</b>	<b>63,160</b>	<b>63,593</b>	<b>9,140</b>	<b>8,324</b>
<b>Non-current liabilities</b>				
Other payables	120	119	-	-
Loans and borrowings	1,742	1,762	-	-
Deferred tax liabilities	395	421	28	28
	2,257	2,302	28	28
<b>Total liabilities</b>	<b>124,594</b>	<b>120,226</b>	<b>1,198</b>	<b>1,787</b>
<b>Net assets</b>	<b>91,094</b>	<b>89,272</b>	<b>36,995</b>	<b>36,094</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	23,599	23,266	23,599	23,266
Treasury shares	-	(334)	-	(334)
Retained earnings	66,967	65,601	11,570	11,808
Other reserves	(3,203)	(3,008)	1,826	1,354
	87,363	85,525	36,995	36,094
<b>Non-controlling interests</b>	<b>3,731</b>	<b>3,747</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>91,094</b>	<b>89,272</b>	<b>36,995</b>	<b>36,094</b>
<b>Total equity and liabilities</b>	<b>215,688</b>	<b>209,498</b>	<b>38,193</b>	<b>37,881</b>

**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. (cont'd)**

**Explanatory notes to balance sheet**

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

Included in gross amount due from customers for contract work-in-progress mainly related to interior fit-out projects and various thematic works across Asia.

**(e) Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 14</b>	<b>As at 31 Dec 13</b>	<b>As at 30 Jun 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Trade receivables	71,976	90,124	1,579	1,397
Other receivables	12,188	5,437	1,932	2,203
<b>Total</b>	<b>84,164</b>	<b>95,561</b>	<b>3,511</b>	<b>3,600</b>

**(f) Cash and short-term deposits**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 14</b>	<b>As at 31 Dec 13</b>	<b>As at 30 Jun 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash at banks and in hand	47,603	48,192	4,398	3,874
Short-term deposits	20,246	15,530	1,580	1,580
<b>Total</b>	<b>67,849</b>	<b>63,722</b>	<b>5,978</b>	<b>5,454</b>

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

Gross amount due to customers for contract work-in-progress mainly relates to progress billings for interior fit-out projects and various thematic works across Asia.

**(h) Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 14</b>	<b>As at 31 Dec 13</b>	<b>As at 30 Jun 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Trade payables	55,130	64,396	-	-
Accrued project costs	19,643	14,267	-	-
Other payables and accruals	17,711	19,378	858	1,528
<b>Total</b>	<b>92,484</b>	<b>98,041</b>	<b>858</b>	<b>1,528</b>

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

	<b>Group</b>	
	<b>As at 30 Jun 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Secured</u></b>		
- repayable within one year	4,231	2,800
- repayable after one year	1,742	1,762
	<b>5,973</b>	<b>4,562</b>
<b><u>Unsecured</u></b>		
- repayable within one year	-	-
- repayable after one year	-	-
	<b>-</b>	<b>-</b>

**Details of any collateral**

Bank term loans are secured by way of a first legal charge on the Group's two factory units in Selangor, Malaysia, corporate guarantees of the Company and its subsidiaries in Malaysia and personal guarantees given by certain directors of its subsidiaries.

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

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 14 S\$'000	30 Jun 13 S\$'000	30 Jun 14 S\$'000	30 Jun 13 S\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	6,458	7,164	7,517	9,637
Adjustments for:				
Depreciation of property, plant and equipment charged to cost of sales	6	-	6	-
Depreciation of property, plant and equipment charged to operation expenses	503	419	980	810
Net gain on disposal of property, plant and equipment	(49)	-	(89)	-
Bad trade debts written off	28	23	28	23
Net allowance for doubtful trade debts (written back)/provided	(4)	21	(4)	60
Amortisation of intangible assets	31	-	44	-
Interest income	(117)	(145)	(163)	(176)
Interest expense	57	89	108	163
Dividend income from other investment	-	-	-	(182)
Share of results of associates	(756)	(326)	(1,270)	(771)
Currency realignment	(64)	(511)	(240)	(278)
Total adjustments	(365)	(430)	(600)	(351)
<b>Operating cash flows before changes in working capital</b>	6,093	6,734	6,917	9,286
Changes in working capital:				
(Increase)/decrease in trade and other receivables	(4,410)	(8,597)	15,003	9,471
Decrease/(increase) in inventories	32	(222)	(191)	(222)
(Increase)/decrease in gross amount due from customers for contract work-in-progress	(2,668)	244	(11,645)	(5,924)
Increase/(decrease) in gross amount due to customers for contract work-in-progress	1,674	(3,594)	10,125	3,867
Decrease in deferred income	(2,412)	(195)	(400)	(963)
Increase/(decrease) in trade and other payables	7,293	17,194	(10,441)	(2,494)
<b>Cash flows from operations</b>	5,602	11,564	9,368	13,021
Interest received	117	145	163	176
Interest paid	(57)	(89)	(108)	(163)
Income tax paid	(1,059)	(1,048)	(2,388)	(1,967)
<b>Net cash flows generated from operating activities</b>	4,603	10,572	7,035	11,067
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	52	1	101	1
Purchase of property, plant and equipment	(587)	(1,117)	(1,465)	(1,331)
Acquisition of shares in associates	-	-	(40)	-
Capital contribution by non-controlling interests in newly set-up subsidiary	-	-	-	90
Cash acquired from re-measurement of ownership interest in subsidiary	-	-	1,805	-
Dividend received from other investment	-	-	-	182
Dividend received from associates	110	-	110	-
<b>Net cash flows (used in)/generated from investing activities</b>	(425)	(1,116)	511	(1,058)
<b>Cash flows from financial activities</b>				
Increase in amount pledged to banks for banking facilities	(637)	(50)	(637)	(50)
Proceeds from draw down of loans and borrowings	1,839	202	3,420	647
Dividend paid on ordinary shares	(4,863)	(4,826)	(4,863)	(4,826)
Dividend paid to non-controlling interests	(43)	-	(43)	-
Ordinary shares issued pursuant to performance share scheme	333	-	333	-
Repayment of finance lease obligations	(14)	(19)	(29)	(39)
Repayment of long-term bank borrowings	(1,021)	(483)	(2,009)	(1,242)
<b>Net cash flows used in financing activities</b>	(4,406)	(5,176)	(3,828)	(5,510)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(228)	4,280	3,718	4,499
Effect of exchange rate changes on cash and cash equivalents	(150)	457	(226)	797
Cash and cash equivalents at beginning of period	66,030	52,137	62,160	51,578
<b>Cash and cash equivalents at end of period</b>	<b>65,652</b>	<b>56,874</b>	<b>65,652</b>	<b>56,874</b>

**Explanatory notes to cash flow statement**

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

	Group	
	30 Jun 14 S\$'000	30 Jun 13 S\$'000
Cash and short-term deposits	67,849	58,427
Bank overdrafts	-	-
Amount pledged to banks for banking facilities	67,849	58,427
	(2,197)	(1,553)
Cash and cash equivalents	65,652	56,874

**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 owners of the Company						
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to owners of the Company, total S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
Opening balance at 1 January 2014	23,266	(334)	65,601	(3,008)	85,525	3,747	89,272
Profit for the period	-	-	920	-	920	25	945
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	135	135	(17)	118
Other comprehensive income for the period, net of tax	-	-	-	135	135	(17)	118
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>920</b>	<b>135</b>	<b>1,055</b>	<b>8</b>	<b>1,063</b>
<u>Contributions by and distributions to owners</u>							
Treasury shares reissued pursuant to performance share scheme	-	177	-	245	422	-	422
Total contribution by and distributions to owners	-	177	-	245	422	-	422
<u>Changes in ownership interest in subsidiaries</u>							
Contribution into a subsidiary by a non wholly-owned subsidiary atributable to non-controlling interests	-	-	-	-	-	6	6
Total changes in ownership interest in subsidiaries	-	-	-	-	-	6	6
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>177</b>	<b>-</b>	<b>245</b>	<b>422</b>	<b>6</b>	<b>428</b>
Closing balance at 31 March 2014	23,266	(157)	66,521	(2,628)	87,002	3,761	90,763
Profit for the period	-	-	5,309	-	5,309	(73)	5,236
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(802)	(802)	86	(716)
Other comprehensive income for the period, net of tax	-	-	-	(802)	(802)	86	(716)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>5,309</b>	<b>(802)</b>	<b>4,507</b>	<b>13</b>	<b>4,520</b>
<u>Contribution by and distributions to owners</u>							
Dividends on ordinary shares	-	-	(4,863)	-	(4,863)	-	(4,863)
Ordinary shares issued pursuant to performance share scheme	333	-	-	-	333	-	333
Treasury shares reissued pursuant to performance share scheme	-	157	-	227	384	-	384
Total contribution by and distributions to owners	333	157	(4,863)	227	(4,146)	-	(4,146)
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>							
Dividends paid to non-controlling interests	-	-	-	-	-	(43)	(43)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(43)	(43)
<b>Total transactions with owners in their capacity as owners</b>	<b>333</b>	<b>157</b>	<b>(4,863)</b>	<b>227</b>	<b>(4,146)</b>	<b>(43)</b>	<b>(4,189)</b>
Closing balance at 30 June 2014	23,599	-	66,967	(3,203)	87,363	3,731	91,094

**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 owners of the Company					
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to owners of the Company, total S\$'000	Non-controlling interests S\$'000
<b>Opening balance at 1 January 2013</b>	<b>23,266</b>	<b>(978)</b>	<b>55,582</b>	<b>(4,022)</b>	<b>73,848</b>	<b>2,980</b>
Profit for the period	-	-	2,227	-	2,227	(224)
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	-	257	257	24
Other comprehensive income for the period, net of tax	-	-	-	257	257	24
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,227</b>	<b>257</b>	<b>2,484</b>	<b>(200)</b>
<u>Contributions by and distributions to owners</u>						
Treasury shares reissued pursuant to performance share scheme	-	171	-	212	383	-
Total contribution by and distributions to owners	-	171	-	212	383	-
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>						
Capital contribution by non-controlling interests in a newly set-up subsidiary	-	-	-	-	-	90
Total changes in ownership interests in subsidiaries	-	-	-	-	-	90
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>171</b>	<b>-</b>	<b>212</b>	<b>383</b>	<b>90</b>
<b>Closing balance at 31 March 2013</b>	<b>23,266</b>	<b>(807)</b>	<b>57,809</b>	<b>(3,553)</b>	<b>76,715</b>	<b>2,870</b>
Profit for the period	-	-	5,387	-	5,387	347
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	-	441	441	30
Other comprehensive income for the period, net of tax	-	-	-	441	441	30
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>5,387</b>	<b>441</b>	<b>5,828</b>	<b>377</b>
<u>Contribution by and distributions to owners</u>						
Dividends on ordinary shares	-	-	(4,826)	-	(4,826)	-
Treasury shares reissued pursuant to performance share scheme	-	373	-	491	864	-
Total contribution by and distributions to owners	-	373	(4,826)	491	(3,962)	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>373</b>	<b>(4,826)</b>	<b>491</b>	<b>(3,962)</b>	<b>-</b>
<b>Closing balance at 30 June 2013</b>	<b>23,266</b>	<b>(434)</b>	<b>58,370</b>	<b>(2,621)</b>	<b>78,581</b>	<b>3,247</b>



**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 owners of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
<b>Opening balance at 1 January 2014</b>	<b>23,266</b>	<b>(334)</b>	<b>11,808</b>	<b>1,354</b>	<b>36,094</b>
Loss for the period	-	-	(25)	-	(25)
Other comprehensive income for the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>(25)</b>
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to performance share scheme	-	177	-	245	422
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>177</b>	<b>-</b>	<b>245</b>	<b>422</b>
<b>Closing balance at 31 March 2014</b>	<b>23,266</b>	<b>(157)</b>	<b>11,783</b>	<b>1,599</b>	<b>36,491</b>
Profit for the period	-	-	4,650	-	4,650
Other comprehensive income for the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,650</b>	<b>-</b>	<b>4,650</b>
<u>Contributions by and distributions of owners</u>					
Ordinary shares issued pursuant to performance share scheme	333	-	-	-	333
Treasury shares reissued pursuant to performance share scheme	-	157	-	227	384
Dividends on ordinary shares	-	-	(4,863)	-	(4,863)
<b>Total transactions with owners in their capacity as owners</b>	<b>333</b>	<b>157</b>	<b>(4,863)</b>	<b>227</b>	<b>(4,146)</b>
<b>Closing balance at 30 June 2014</b>	<b>23,599</b>	<b>-</b>	<b>11,570</b>	<b>1,826</b>	<b>36,995</b>
<b>Opening balance at 1 January 2013</b>	<b>23,266</b>	<b>(978)</b>	<b>10,689</b>	<b>518</b>	<b>33,495</b>
Profit for the period	-	-	309	-	309
Other comprehensive income for the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>309</b>	<b>-</b>	<b>309</b>
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to performance share scheme	-	171	-	212	383
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>171</b>	<b>-</b>	<b>212</b>	<b>383</b>
<b>Closing balance at 31 March 2013</b>	<b>23,266</b>	<b>(807)</b>	<b>10,998</b>	<b>730</b>	<b>34,187</b>
Profit for the period	-	-	4,829	-	4,829
Other comprehensive income for the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,829</b>	<b>-</b>	<b>4,829</b>
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to performance share scheme	-	373	-	491	864
Dividends on ordinary shares	-	-	(4,826)	-	(4,826)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>373</b>	<b>(4,826)</b>	<b>491</b>	<b>(3,962)</b>
<b>Closing balance at 30 June 2013</b>	<b>23,266</b>	<b>(434)</b>	<b>11,001</b>	<b>1,221</b>	<b>35,054</b>

- 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**

	<b>Group and Company</b>	
	<b>30 Jun 14</b>	<b>31 Dec 13</b>
	<b>'000</b>	<b>'000</b>
Issued and fully paid-up share capital:		
As at beginning of period / year	194,183	194,183
Issuance of ordinary shares pursuant to:		
- performance share scheme	354	-
As at end of period / year	194,537	194,183
Treasury shares:		
As at beginning of period / year	(866)	(2,537)
Treasury shares reissued pursuant to:		
- performance share scheme	866	1,671
As at end of period / year	-	(866)

There was no outstanding options or convertibles as at 30 Jun 14 (31 Dec 13: Nil).

- 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.**

	<b>Group and Company</b>	
	<b>30 Jun 14</b>	<b>31 Dec 13</b>
	<b>'000</b>	<b>'000</b>
Total number of issued shares (excluding treasury shares)	194,537	193,317

- 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.**

	<b>Group and Company</b>			
	<b>30 Jun 14</b>		<b>31 Dec 13</b>	
	<b>No. of shares</b>		<b>No. of shares</b>	
	<b>'000</b>	<b>S\$'000</b>	<b>'000</b>	<b>S\$'000</b>
As at beginning of period / year	(866)	(334)	(2,537)	(978)
Treasury shares reissued pursuant to:				
- performance share scheme	866	334	1,671	644
As at end of period / year	-	-	(866)	(334)

**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.**

The Group has applied the same accounting policies and methods of computation as in the Group's audited financial statements for the previous year ended 31 December 2013. However, the Group adopted new and revised Financial Reporting Standards ("FRS") and interpretations that are mandatory for financial years beginning on or after 1 January 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for FRS 110 Consolidated Financial Statements and Revised FRS 27 Separate Financial Statements.

**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 early adoption of the Relevant FRS and the adoption of the certain revised FRS, new FRS and INT FRS effective for the Company's financial year commenced on 1 January 2014 do not have a material financial effect on the Group and the Company except as discussed below:

**(a) FRS 110 and FRS 27 (Revised)**

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation - Special Purpose Entities*. FRS 110 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. It also provides more extensive application guidance on assessing control based on voting rights or other contractual rights. Under FRS 110, control assessment will be based on whether an investor has (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 27 (Revised) remains as a standard applicable only to separate financial statements.

The directors of the Company made an assessment as at the date of initial application of FRS 110 (i.e. 1 January 2014) as to whether or not the Group has control over Kingsmen Middle East LLC ("KME") in accordance with the new definition of control and the related guidance set out in FRS 110.

The directors of the Company concluded that the Group has control over KME on the basis of the Group's effective beneficial interest of 55.51% in KME.

Therefore, in accordance with the requirements of FRS 110, KME has been accounted for as a subsidiary of the Company in reporting year 2014 with its financial statements consolidated with those of the Group. Prior to the adoption of FRS 110, KME has been treated as an associate of the Group and accounted for using the equity method of accounting.

With the adoption of FRS 110, the effects of the change in accounting treatment of KME are to be applied retrospectively. However, as the effect of the adoption is not material to the comparative figures, no restatement of comparative figures has been made.

The adoption of FRS 110 has no significant effect on (i) the Group's profit attributable to the equity holders of the Company; (ii) the amount of equity attributable to the equity holders of the Company at 30 June 2014; and (iii) the earnings per share of the Group for the reporting period 30 June 2014.

**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 14	30 Jun 13	30 Jun 14	30 Jun 13
Net profit for the period attributable to ordinary shareholders for basic and diluted earnings per share (S\$'000)	5,309	5,387	6,229	7,614
Weighted average number of ordinary shares in issue ('000)	194,111	192,375	193,767	192,025
Adjusted weighted average number of ordinary shares applicable to diluted earnings per shares ('000)	194,111	192,375	193,767	192,025
Earnings per share based on weighted average number of ordinary shares in issue (cents)	2.74	2.80	3.21	3.97
Earnings per share on fully diluted basis (cents)	2.74	2.80	3.21	3.97

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 14	As at 31 Dec 13	As at 30 Jun 14	As at 31 Dec 13
Net asset value, net of non-controlling interests (S\$'000)	87,363	85,525	36,995	36,094
Number of ordinary shares, excluding treasury shares ('000)	194,537	193,317	194,537	193,317
Net asset value per share (cents)	44.91	44.24	19.02	18.67

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					
	Second Quarter Ended			Half Year Ended		
	30 Jun 14	30 Jun 13	+/-	30 Jun 14	30 Jun 13	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Exhibitions & Museums	28,344	22,666	25.1%	49,549	43,288	14.5%
Retail & Corporate Interiors	49,384	46,800	5.5%	77,039	65,327	17.9%
Research & Design	3,556	2,645	34.4%	5,634	5,161	9.2%
Alternative Marketing	1,658	7,764	-78.6%	4,699	8,670	-45.8%
	<u>82,942</u>	<u>79,875</u>		<u>136,921</u>	<u>122,446</u>	

For the half year ended 30 June 2014 ("1H 2014"), the Group recorded revenue of S\$136.9 million, an increase of 11.8% compared to S\$122.4 million recorded in the corresponding period in 2013 ("1H 2013"). For the second quarter ended 30 June 2014 ("2Q 2014"), the Group's revenue increased by 3.8% from S\$79.9 million in second quarter 2013 ("2Q 2013") to S\$82.9 million. The improvement was due to better top-line performance by Exhibitions & Museums division, Retail & Corporate Interiors division and Research & Design division

The **Exhibitions & Museums division** performed well in 1H 2014 and recorded revenue of S\$49.5 million, 14.5% higher than S\$43.3 million in 1H 2013. For 2Q 2014, the division's revenue was S\$28.3 million or 25.1% higher than S\$22.7 million in 2Q 2013.

The increase in revenue was mainly due to the completion of some major exhibition projects such as Art Stage Singapore 2014, Singapore Airshow 2014, Food & Hotel Asia 2014 and Tax Free Asia Pacific 2014, together with partial recognition of sizable China thematic projects which will be completed before end of 2015.

The **Retail & Corporate Interiors division** recorded 1H 2014 revenue of S\$77.0 million, a significant increase of S\$11.7 million or 17.9% as compared to S\$65.3 million in 1H 2013. For 2Q 2014, the division recorded revenue of S\$49.4 million, which was 5.5% higher than what the division achieved in 2Q 2013.

Key contributors to the division's revenue included customers and brand names such as Abercrombie & Fitch, Tiffany & Co., Karl Lagerfeld, Fendi, Bonhams, Nespresso and Lotte Group.

Revenue from **Research & Design division** increased from S\$5.2 million in 1H 2013 to S\$5.6 million in 1H 2014. The 2Q 2014 revenue was S\$3.6 million as compared to S\$2.6 million in 2Q 2013. Key accounts which contributed to the division's revenue include customers and brand names such as Burberry, SKII, Metro and Gucci.

1H 2014 revenue recorded by **Alternative Marketing division** dipped by S\$4.0 million from S\$8.7 million in 1H 2013 to S\$4.7 million. The 2Q 2014's revenue was S\$1.7 million as compared to S\$7.8 million in 2Q 2013. For 2Q 2013, the division's revenue was higher than 2Q 2014 due to completion of one-off major project, Chanel Event at Loewen Cluster.

## **Gross Profit**

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 14	30 Jun 13	+/-	30 Jun 14	30 Jun 13	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	82,942	79,875	3.8%	136,921	122,446	11.8%
Gross profit	21,400	20,544	4.2%	36,062	33,618	7.3%
<b>GP margin</b>	<b>25.8%</b>	<b>25.7%</b>		<b>26.3%</b>	<b>27.5%</b>	

Gross profit for 1H 2014 and 2Q 2014 increased by 7.3% and 4.2% respectively to S\$36.1 million and S\$21.4 million.

## **Other Items of Income**

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

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

## **Other Items of Expenses**

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 14	30 Jun 13	+/-	30 Jun 14	30 Jun 13	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	503	419	20.0%	980	810	21.0%
Staff salaries and related expenses	12,914	11,691	10.5%	22,899	20,497	11.7%
Other expenses	3,503	2,818	24.3%	8,284	5,833	42.0%
Interest expense	57	89	-36.0%	108	163	-33.7%
	<u>16,977</u>	<u>15,017</u>		<u>32,271</u>	<u>27,303</u>	

For 1H 2014 and 2Q 2014, the increase in operating expenses was partly due to the inclusion of Kingsmen Middle East LLC ("KME") as a subsidiary with effect from 1 January 2014 in compliance with FRS110 Consolidated Financial Statement.

For 1H 2014, operating expenses increased from S\$27.3 million in 1H 2013 to S\$32.3 million. Beside the increase due to the inclusion of KME's operating expenses, there were also higher marketing and sponsorship expenses incurred in 1H 2014, as well as a one-off provision of S\$1.5 million for costs and damages in relation to a law suit in China as announced by the Company on 26 April 2014.

For 2Q 2014, operating expenses increased from S\$15.0 million in 2Q 2013 to \$17.0 million.

The increase in staff salaries and related expenses in 1H 2014 and 2Q 2014 was mainly due to higher staff salaries and additional headcount.

## **Share of Results of Associates**

1H 2014 share of results of associates was S\$1.3 million, an increase of 64.7% as compared to S\$771,000 recorded in 1H 2013. Share of results of associates increased from S\$326,000 for 2Q 2013 to S\$756,000 for 2Q 2014. The higher share of profits is mainly due to higher contribution by overseas associates.

### **Profit attributable to Owners of the Company**

Profit attributable to owners of the Company decreased by 18.2% from S\$7.6 million in 1H 2013 to S\$6.2 million in 1H 2014. This was mainly due to the one-off provision for costs and damages for legal suit in China in 1Q 2014. Profit attributable to owners of the Company for 2Q 2014 was slightly lower at S\$5.3 million as compared to S\$5.4 million for 2Q 2013.

- (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 (Net of Non-controlling Interests)**

Net assets of the Group increased by S\$1.9 million from S\$85.5 million to S\$87.4 million and was mainly contributed by the profit retained in the Group after dividend distribution of S\$4.9 million to shareholders.

- 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 14 May 2014, we stated that we expect FY2014 to be a good year for the Group. Our second quarter results, despite being lower than that of the second quarter of last year, are in line with the Group's overall expectation for the year.

- 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 & Museums division has completed several major biennial events to date, such as Singapore Airshow 2014, Food & Hotel Asia 2014 and Tax Free Asia Pacific 2014. Together with contracts such as various China thematic projects and KidZania Singapore which already secured to date, our Exhibitions & Museums division expects to do well in 2014.

Retails & Corporate Interiors division is expected to maintain its momentum based on the number of projects scheduled for completion by end of the year. The division expects to see greater contribution from existing key accounts in second half of 2014 while continue its effort to build on new portfolio of key accounts.

As at 13th August 2014, the Group has secured contracts of approximately S\$321 million, of which S\$278 million is expected to be recognised in 2014. With the strong pipeline of contracts and planned developments in the region, we are confident that we will do well in 2014, 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 cents (tax exempt) (1 tier)
Tax Rate	N/A

### **(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 cents (tax exempt) (1 tier)
Tax Rate	N/A

### **(c) Date payable**

17 September 2014.

### **(d) Books closure date**

NOTICE IS HEREBY GIVEN THAT the Transfer Books and the Register of Members of the Company will be closed on 9 September 2014 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 8 September 2014 will be registered to determine shareholders' entitlements to the interim dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 September 2014 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(17), please provide the information required by Rule 907 in respect of any interested person transactions entered into during the financial period.**

No interested person transaction mandate has been obtained from the shareholders of the Company. There was no interested person transaction of S\$100,000 and above, 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 2014.

**14. Confirmation by the Board pursuant to Rule 705(5) 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 2014 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

14 August 2014

**BY ORDER OF THE BOARD**

Soh Siak Poh Benedict  
Executive Chairman  
14 August 2014