

## NEWS RELEASE

### KINGSMEN REPORTS NET PROFIT OF S\$19.1 MILLION

- Revenue of S\$327.9 million
- Strong performance by the Exhibitions & Museums and Research & Design divisions
- Retail & Corporate Interiors division affected by slow demand in high-end luxury retail segment
- Proposes final dividend of 2.0 Singapore cents per share

### FY 2015 Results Highlights

	FY 2015	FY 2014	Change
Turnover	S\$327.9m	S\$336.4m	- 2.5%
Gross profit	S\$83.7m	S\$84.8m	- 1.4%
Net profit	S\$19.1m	S\$17.2m	+ 11.2%
EPS	9.71 cents	8.84 cents	+ 9.8%

“We continued to perform credibly in FY 2015 despite the global economic headwinds, driven largely by the strong performance of our Exhibitions & Museums division which grew 26.3% compared to FY 2014. Our Retail & Corporate Interiors division, however, was adversely affected by slow demand from the high-end luxury retail segment. We have already begun to look more closely at the affordable luxury, fast fashion and food & beverage segments, and will expand our market presence in these areas. The year also saw the listing of our Thailand office, Kingsmen C.M.T.I. Public Company Limited, which resulted in positive contribution to our bottom line.” said **Mr Benedict Soh, Executive Chairman of Kingsmen.**

*Singapore, February 25, 2016* – Kingsmen Creatives Ltd. (“Kingsmen”) (“金明创新”), and its subsidiaries (“the Group”), a leading communication design and production group in Asia Pacific and the Middle East, today announced a full year net profit of S\$19.1 million for the year ended December 31, 2015 (“FY 2015”), an 11.2% increase from the previous corresponding year. This includes a one-off gain of approximately S\$5.9 million from the disposal of interest in Kingsmen C.M.T.I. Public Company Limited and the fair value of the remaining interest in the company. Group turnover decreased 2.5% to S\$327.9 million in FY 2015, from S\$336.4 million in the previous corresponding year.

The **Exhibitions and Museums division** performed well in FY 2015, recording a turnover of S\$172.3 million, compared to S\$136.5 million in FY 2014, an increase of 26.3%. The key contributors to the division’s revenue were from major projects such as the 28<sup>th</sup> SEA Games in Singapore, Art Stage Singapore 2015, BNP Paribas WTA Finals Singapore presented by SC Global, Formula 1 Singapore Grand Prix, Gastech Conference & Exhibition 2015, Qatar Motor Show 2015, TFWA Asia Pacific Exhibition & Conference 2015, KidZania Singapore, King Abdulaziz Center for World Culture, National Museum of Singapore, Chinatown Heritage Centre and thematic projects in the region.

The **Retail & Corporate Interiors division** registered a turnover of S\$129.0 million in FY 2015, a decrease of S\$45.3 million from S\$174.3 million in FY 2014, due to soft demand for interior design and fit-out services from the high-end luxury retail segment. However, the division continues to see demand for its services from the affordable luxury and travel retail segments. Key accounts for the division include Aldo, British Airways, Christian Dior, Coach, Fendi, Michael Kors, Ralph Lauren, The Hour Glass, Tiffany & Co. and Shilla Travel Retail.

The Group’s **Research & Design division** recorded a turnover of S\$15.0 million in FY 2015, an increase of 16.1% compared to S\$12.9 million in FY 2014. The division’s key accounts include clients and brand names such as BMW, Burberry, Changi Airport Group, Michael Kors, Procter & Gamble Co. and Valentino, and thematic projects in the region.

The **Alternative Marketing division** posted a revenue of S\$11.6 million in FY 2015, a S\$1.1 million decrease compared to S\$12.7 million in FY 2014. The key contributors to the division's revenue were from projects and events from clients such as BMW, Health Promotion Board, Jurong Health, National Research Foundation, OCBC and StarHub.

#### Outlook for FY 2016 and Beyond

Commenting on the Group's strategies going forward, Mr Soh said: "We expect FY 2016 to be another challenging year, but we are well positioned to face the changing market environment. Over the course of FY 2015, we have expanded our footprint, setting up operations in Myanmar, in addition to the US retail services office we set up in the second half of FY 2014. We have also enhanced our fulfilment capabilities through the upgrading of our Johor production facility which we purchased in early FY 2015. More recently, we purchased a piece of land in Changi Business Park, on which we intend to build our new Kingsmen HQ to serve our expansion needs. Our people continue to be at the top of their game, through training programmes conducted at the Kingsmen Academy. We have placed greater emphasis on cross-selling and ensuring that our service and quality standards consistently meet market expectations."

The Group is cautiously optimistic about the outlook for its various business segments in FY 2016, despite the challenges posed by global economic uncertainty. It is well positioned to pursue its business objectives given its growing brand presence in the market, improved internal efficiencies and greater marketing efforts.

The **Exhibitions & Museums** division is expected to maintain its momentum and continue to perform well given the line-up of projects and attractions already secured around the Asia Pacific and Middle East region.

The Group's **Retail & Corporate Interiors** division will continue to embrace and adapt to the changes facing the retail sector. Despite the current challenging operating environment in the high-end luxury retail segment, the division still sees opportunities in that segment. More positively, the division sees good prospects for interior design and fit-out services in the affordable luxury, fast fashion, travel retail

and food & beverage segments, and will increase its efforts to secure more projects in these areas.

As at 31 January 2016, the Group has secured contracts of approximately S\$113 million, of which approximately S\$106 million is expected to be recognised in FY 2016.

In line with the Group's policy of distributing its profits to reward loyal shareholders, the Board is recommending a final dividend of 2.0 Singapore cents per ordinary share.

**About Kingsmen Creatives Ltd.**

Listed on the Main Board of the Singapore Exchange, Kingsmen is a leading communication design and production group. Established in 1976, the Group has a network of 19 offices and full service facilities serving global clients in Exhibitions & Museums, Retail & Corporate Interiors, Research & Design, and Alternative Marketing today.

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 BMW, Burberry, Chanel, DBS, FJ Benjamin Group, Gucci, Hong Kong Disneyland, LVMH Group, Ralph Lauren, Resorts World Sentosa, Robinsons Group, TAG Heuer, Tiffany & Co., Universal Studios and Wing Tai Asia.

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