

NEWS RELEASE

KINGSMEN REPORTS 1H 2016 NET PROFIT OF S\$2.3 MILLION

- Revenue increases 10.8% to S\$149.4 million
- Expects second half to improve, given pipeline of projects secured
- Proposes interim dividend of 1.0 Singapore cent per share

1H 2016 Results Highlights

	1H 2016	1H 2015	Change
Revenue	S\$149.4m	S\$134.8m	10.8%
Gross profit	S\$34.3m	S\$34.8m	-1.4%
Net profit	S\$2.3m	S\$3.9m	-40.3%
EPS	1.17 cents	1.98 cents	-40.9%

“Our 1H 2016 revenue has increased due to a good showing from our Exhibitions & Thematic division and Retail & Corporate Interiors division. The occurrence of major biennial tradeshows such as the Singapore Airshow 2016 and Food & Hotel Asia 2016, together with the completion of thematic works for KidZania Singapore and Shanghai Disney Resort, has contributed to the revenue increase for our Exhibitions & Thematic division. For our Retail & Corporate Interiors division, in line with the soft demand in the high-end luxury retail segment, we have focused our efforts on other business segments such as affordable luxury retail, travel retail, corporate interiors and F&B, and are making good progress. We expect to see an improved second half, as we continue to fulfill contracts that have been secured and continue to chase for new business.” said **Mr Benedict Soh, Chairman of Kingsmen**.

Singapore, August 11, 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 net profit of S\$2.3 million for the six months ended June 30, 2016 (“1H 2016”), a 40.3% decrease from the previous corresponding period (“1H 2015”). Group revenue increased 10.8% to S\$149.4 million in 1H 2016, from S\$134.8 million in 1H 2015.

Commenting on the Group’s performance, Mr Soh said: “Lower gross profit margins in the Retail & Corporate Interiors division as well as higher operating expenses due to increased headcount and wages impacted our net profit. Looking ahead, we will continue to pursue our strategy of long-term sustainability by expanding our pool of key accounts, investing in training to empower our staff, and exploring complementary businesses to augment our service offerings.”

The **Exhibitions and Thematic division** performed well in 1H 2016, with a 7.7% increase in revenue to S\$73.8 million. The main contributors to the division’s revenue included major events and projects such as Art Stage Singapore 2016, Singapore Airshow 2016, TFWA Asia Pacific Exhibition & Conference 2016, Hailan Group Horse Cultural Experience Pavilion, Jakarta Aquarium, KidZania Singapore, King Abdulaziz Center for World Culture and thematic projects in the region.

The **Retail & Corporate Interiors division** attained a 16.0% increase in revenue to S\$65.6 million in 1H 2016. While demand for interior design and fit-out services from the high-end luxury retail segment remained soft, the division continued to see good demand for its services from the affordable luxury retail, fast fashion retail, travel retail, corporate interiors and F&B segments. Key accounts for the division included Aldo, Christian Dior, DFS Venture, Fendi, LS Travel Retail, Shilla Travel Retail, Tiffany & Co. and Uniqlo.

The Group’s **Research & Design division** registered lower revenue of S\$6.0 million in 1H 2016, compared to S\$6.5 million in 1H 2015. Key accounts which contributed to the division’s revenue included clients and brand names such as Kate Spade, Michael Kors, Procter & Gamble Co. and TAG Heuer, and thematic projects in the region.

The **Alternative Marketing division** recorded a 25.0% increase in revenue to S\$3.9 million in 1H 2016. Key contributors to the division's revenue included events and projects for clients such as BMW, Health Promotion Board, OCBC and StarHub.

Outlook for 2016 and Beyond

The Group expects the second half of the year to improve, given the pipeline of contracts and demand for the Group's services. As at 31 July 2016, the Group has secured contracts of approximately S\$276 million, of which approximately S\$245 million is expected to be recognised in FY2016. The Group continues to be mindful of the global economic environment, and will monitor the market situation closely.

The **Exhibitions & Thematic division** enjoys good prospects across the Asia Pacific and Middle East region. Together with the line-up of projects and attractions already secured, the division expects to continue its momentum.

The Group's **Retail & Corporate Interiors division** continues to see opportunities within the industry despite the tougher operating environment. It will continue to increase its marketing efforts and pursue more projects in the affordable luxury retail, fast fashion retail, travel retail, corporate interiors and F&B segments, while continuing to serve clients in the high-end luxury retail segment.

In line with the Group's policy of distributing its profits to reward loyal shareholders, the Board is recommending an interim dividend of 1.0 Singapore cent 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 & Thematic, 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 BMW, Chanel, Changi Airport Group, DBS, FJ Benjamin Group, Gucci, Hong Kong & Shanghai Disneyland, LVMH Group, Ralph Lauren, Resorts World Sentosa, Robinsons Group, Singapore GP, TAG Heuer, Tax Free World Association, Tiffany & Co., Universal Studios, Wanda and Wing Tai Asia.

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