

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018
PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, 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 18 S\$'000	30 Jun 17 S\$'000	Change %	30 Jun 18 S\$'000	30 Jun 17 S\$'000	Change %
Revenue		85,803	78,774	8.9%	146,825	144,969	1.3%
Cost of sales		(65,476)	(59,005)	11.0%	(111,127)	(109,649)	1.3%
Gross profit		20,327	19,769	2.8%	35,698	35,320	1.1%
Other items of income							
Interest income		108	120	-10.0%	185	200	-7.5%
Other income	(a)	1,800	1,022	76.1%	2,496	2,155	15.8%
Other items of expense							
Depreciation of property, plant and equipment		(437)	(513)	-14.8%	(959)	(1,033)	-7.2%
Employee benefits expense		(14,616)	(13,528)	8.0%	(27,567)	(25,817)	6.8%
Other expenses		(3,768)	(4,167)	-9.6%	(6,209)	(7,220)	-14.0%
Interest expense		(190)	(128)	48.4%	(340)	(269)	26.4%
Share of results of associates		227	149	52.3%	427	39	994.9%
Profit before tax	(b)	3,451	2,724	26.7%	3,731	3,375	10.5%
Income tax expense	(c)	(1,053)	(596)	76.7%	(1,179)	(830)	42.0%
Profit net of tax		2,398	2,128	12.7%	2,552	2,545	0.3%
Other comprehensive loss:							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of tax		(355)	(162)	119.1%	(297)	(1,247)	-76.2%
Other comprehensive loss for the period, net of tax		(355)	(162)	119.1%	(297)	(1,247)	-76.2%
Total comprehensive income		2,043	1,966	3.9%	2,255	1,298	73.7%
Profit/(loss) net of tax attributable to:							
Equity holders of the Company		2,509	2,365	6.1%	2,954	2,748	7.5%
Non-controlling interests		(111)	(237)	-53.2%	(402)	(203)	98.0%
Profit net of tax		2,398	2,128	12.7%	2,552	2,545	0.3%
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		2,201	2,127	3.5%	2,683	1,512	77.4%
Non-controlling interests		(158)	(161)	-1.9%	(428)	(214)	100.0%
Total comprehensive income		2,043	1,966	3.9%	2,255	1,298	73.7%

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

Explanatory notes to consolidated income statement

(a) Other income comprises :-

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
	S\$'000	S\$'000	S\$'000	S\$'000
Corporate fee income	117	89	408	418
Dividend income from available-for-sale financial asset	47	80	47	80
Net foreign exchange gain	1,229	-	931	-
Net gain on disposal of property, plant and equipment	-	1	-	1
Rental income	273	403	705	780
Service income	92	377	271	758
Write-back of impairment loss on doubtful trade receivable	-	-	1	-
Miscellaneous income	42	72	133	118
	1,800	1,022	2,496	2,155

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

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 18	30 Jun 17	30 Jun 18	30 Jun 17
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	49	22	97	45
Amortisation of land use right	61	61	122	122
Bad trade debts written off	-	130	-	136
Impairment loss on doubtful trade receivables	-	-	8	-
Net foreign exchange loss	-	697	-	1,004
Net loss on disposal of property, plant and equipment	5	-	30	-
Operating lease expenses	1,010	940	1,935	1,897
Property, plant and equipment written off	-	-	-	1

(c) Included in income tax expense for the second quarter and half year ended 30 June 2018 are under-provision of income tax of S\$196,000 (2Q 2017: S\$Nil) and S\$176,000 (1H 2017: S\$1,000) respectively relating to prior year.

1(b)(i) A statement of financial position (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 18	As at 31 Dec 17	As at 1 Jan 17 *	As at 30 Jun 18	As at 31 Dec 17
		S\$'000	S\$'000 (Restated)	S\$'000 (Restated)	S\$'000	S\$'000
ASSETS						
Non-current assets						
Land use right		6,616	6,738	6,981	6,616	6,738
Property, plant and equipment		42,385	33,536	24,610	20,316	12,553
Intangible assets		8,630	8,637	7,794	-	-
Investments in subsidiaries		-	-	-	27,715	27,715
Investments in associates		6,553	6,333	5,954	3,430	3,430
Other investments		4,355	4,313	4,304	4,355	4,313
Trade and other receivables		122	139	759	-	-
Deferred tax assets		620	541	426	62	61
		<u>69,281</u>	<u>60,237</u>	<u>50,828</u>	<u>62,494</u>	<u>54,810</u>
Current assets						
Other investments		-	-	1,014	-	-
Inventories		1,724	1,583	1,607	-	-
Contract assets	(d)	33,117	15,454	23,595	-	-
Trade and other receivables	(e)	84,764	94,407	104,730	7,354	5,841
Other assets		1,052	1,075	1,102	33	94
Cash and cash equivalents	(f)	70,193	73,609	76,155	7,738	3,373
		<u>190,850</u>	<u>186,128</u>	<u>208,203</u>	<u>15,125</u>	<u>9,308</u>
Total assets		<u>260,131</u>	<u>246,365</u>	<u>259,031</u>	<u>77,619</u>	<u>64,118</u>
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the Company						
Share capital		27,984	27,710	27,130	27,984	27,710
Retained earnings		95,496	95,682	91,075	35,171	31,993
Other reserves		(2,593)	(2,468)	(1,379)	1,563	1,563
		<u>120,887</u>	<u>120,924</u>	<u>116,826</u>	<u>64,718</u>	<u>61,266</u>
Non-controlling interests		586	1,126	1,844	-	-
Total equity		<u>121,473</u>	<u>122,050</u>	<u>118,670</u>	<u>64,718</u>	<u>61,266</u>
Non-current liabilities						
Trade and other payables		1,117	1,195	1,245	-	-
Other financial liabilities		15,577	5,468	6,807	10,755	-
Deferred tax liabilities		244	396	374	-	-
		<u>16,938</u>	<u>7,059</u>	<u>8,426</u>	<u>10,755</u>	<u>-</u>
Current liabilities						
Contract liabilities	(g)	11,024	7,330	10,521	-	-
Trade and other payables	(h)	95,758	96,816	110,660	1,359	2,852
Other financial liabilities		10,392	8,465	4,249	787	-
Other liabilities		2,385	2,489	2,607	-	-
Income tax payable		2,161	2,156	3,898	-	-
		<u>121,720</u>	<u>117,256</u>	<u>131,935</u>	<u>2,146</u>	<u>2,852</u>
Total liabilities		<u>138,658</u>	<u>124,315</u>	<u>140,361</u>	<u>12,901</u>	<u>2,852</u>
Total equity and liabilities		<u>260,131</u>	<u>246,365</u>	<u>259,031</u>	<u>77,619</u>	<u>64,118</u>

* The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018 and applied SFRS(I) 1 First-time Adoption of SFRS(I) with 1 January 2017 as the date of transition, which requires the first SFRS(I) financial statements to comprise of an opening SFRS(I) statement of financial position at the date of transition to SFRS(I).

1(b)(i) A statement of financial position (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 statements of financial position

(d) Contract assets

Contract assets comprise of the contract costs incurred and the profits/losses recognised less the progress billings on our interior fit-out projects and various thematic works across Asia Pacific and the Middle East.

(e) Trade and other receivables

	Group			Company	
	As at 30 Jun 18	As at 31 Dec 17	As at 1 Jan 17	As at 30 Jun 18	As at 31 Dec 17
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	73,433	85,192	95,816	1,941	1,346
Other receivables	11,331	9,215	8,914	5,413	4,495
Total	84,764	94,407	104,730	7,354	5,841

(f) Cash and cash equivalents

	Group			Company	
	As at 30 Jun 18	As at 31 Dec 17	As at 1 Jan 17	As at 30 Jun 18	As at 31 Dec 17
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and in hand	50,818	60,048	60,027	4,153	2,288
Short-term deposits	19,375	13,561	16,128	3,585	1,085
Total	70,193	73,609	76,155	7,738	3,373

(g) Contract liabilities

Contract liabilities comprise of the progress billings less the contract costs incurred and the profits/losses recognised on our interior fit-out projects and various thematic works across Asia Pacific and the Middle East.

(h) Trade and other payables

	Group			Company	
	As at 30 Jun 18	As at 31 Dec 17	As at 1 Jan 17	As at 30 Jun 18	As at 31 Dec 17
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	83,125	77,759	89,787	-	-
Other payables	12,633	19,057	20,873	1,359	2,852
Total	95,758	96,816	110,660	1,359	2,852

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group	
	As at 30 Jun 18	As at 31 Dec 17
	S\$'000	S\$'000
<u>Secured</u>		
- repayable within one year or on demand	10,392	8,465
- repayable after one year	15,577	5,468
	25,969	13,933
<u>Unsecured</u>		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
	-	-

Details of any collaterals

Bank loans and trust receipts are secured by way of legal charges on the Group's four properties in Singapore and Malaysia, corporate guarantees of the Company and a subsidiary in Malaysia, personal guarantees given by certain directors of the subsidiaries in Malaysia and short-term deposits pledged to the banks.

1(c) A statement of cash flows (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 18 S\$'000	30 Jun 17 S\$'000	30 Jun 18 S\$'000	30 Jun 17 S\$'000
Cash flows from operating activities				
Profit before tax	3,451	2,724	3,731	3,375
Adjustments for:				
Amortisation of intangible assets	49	22	97	45
Amortisation of land use right	61	61	122	122
Bad trade debts written off	-	130	-	136
Depreciation of property, plant and equipment	458	1,028	1,001	1,594
Dividend income from available-for-sale financial asset	(47)	(80)	(47)	(80)
Net loss/(gain) on disposal of property, plant and equipment	5	(1)	30	(1)
Net impairment loss on doubtful trade receivables	-	-	7	-
Performance share scheme expense	152	7	152	7
Property, plant and equipment written off	-	-	-	1
Interest income	(108)	(120)	(185)	(200)
Interest expense	190	128	340	269
Share of results of associates	(227)	(149)	(427)	(39)
Currency realignment	(850)	127	(627)	710
Operating cash flows before changes in working capital	3,134	3,877	4,194	5,939
(Increase)/decrease in:				
Inventories	476	(108)	(141)	(720)
Contract assets	(9,603)	(555)	(17,481)	(5,704)
Trade and other receivables	(5,477)	(5,998)	9,713	8,685
Other assets	(126)	378	76	242
Increase/(decrease) in:				
Contract liabilities	55	48	3,694	(62)
Trade and other payables	14,831	3,873	(1,031)	(16,610)
Other liabilities	(1,743)	688	18	(137)
Net cash flows from/(used in) operations	1,547	2,203	(958)	(8,367)
Interest received	108	120	185	200
Interest paid	(190)	(128)	(340)	(269)
Income tax paid	(650)	(730)	(1,393)	(1,611)
Net cash flows from/(used in) operating activities	815	1,465	(2,506)	(10,047)
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,276)	(3,386)	(9,918)	(6,191)
Proceeds from disposal of property, plant and equipment	1	1	64	1
Dividend income from available-for-sale financial asset	5	80	5	80
Net cash flows used in investing activities	(4,270)	(3,305)	(9,849)	(6,110)
Cash flows from financing activities				
Dividends paid on ordinary shares	(2,994)	(2,987)	(2,994)	(2,987)
Dividends paid to non-controlling interests of subsidiaries	(12)	(12)	(112)	(12)
Proceeds from draw down of loans and borrowings	10,736	1,605	15,691	2,624
Repayment of loans and borrowings	(1,819)	(1,153)	(3,830)	(2,122)
Repayment of finance lease obligations	-	(2)	-	(4)
Increase in deposits pledged for bank facilities	(64)	(4)	(90)	(608)
Net cash flows from/(used in) financing activities	5,847	(2,553)	8,665	(3,109)
Net increase/(decrease) in cash and cash equivalents	2,392	(4,393)	(3,690)	(19,266)
Effect of exchange rate changes on cash and cash equivalents	283	(281)	184	(1,467)
Cash and cash equivalents at beginning of period	64,892	58,492	71,073	74,551
Cash and cash equivalents at end of period	67,567	53,818	67,567	53,818

Explanatory note to consolidated cash flow statement

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

	Group	
	As at 30 Jun 18 S\$'000	As at 30 Jun 17 S\$'000
Cash at banks and in hand	50,818	42,493
Short-term deposits	19,375	13,537
	70,193	56,030
Less: Deposits pledged for bank facilities	(2,626)	(2,212)
Cash and cash equivalents	67,567	53,818

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 Company				
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the Company, total S\$'000	Non-controlling interests S\$'000
Opening balance at 1 January 2018, as previously reported	27,710	97,507	(4,293)	120,924	1,126
Effect of adopting SFRS(I)	-	(1,825)	1,825	-	-
Opening balance at 1 January 2018, as restated	27,710	95,682	(2,468)	120,924	1,126
Profit/(loss) for the period	-	445	-	445	(291)
<u>Other comprehensive Income</u>					
Foreign currency translation	-	-	37	37	21
Other comprehensive income for the period, net of tax	-	-	37	37	21
Total comprehensive income/(loss) for the period	-	445	37	482	(270)
<u>Changes in ownership interests in subsidiaries</u>					
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	(100)
Total changes in ownership interests in subsidiaries	-	-	-	-	(100)
Total transactions with equity holders in their capacity as equity holders	-	-	-	-	(100)
Closing balance at 31 March 2018	27,710	96,127	(2,431)	121,406	756
Profit/(loss) for the period	-	2,509	-	2,509	(111)
<u>Other comprehensive loss</u>					
Foreign currency translation	-	-	(308)	(308)	(47)
Other comprehensive loss for the period, net of tax	-	-	(308)	(308)	(47)
Total comprehensive income/(loss) for the period	-	2,509	(308)	2,201	(158)
<u>Contributions by and distributions to equity holders</u>					
Ordinary shares issued pursuant to performance share scheme	274	-	-	274	-
Dividends paid on ordinary shares	-	(2,994)	-	(2,994)	-
Total contributions by and distributions to equity holders	274	(2,994)	-	(2,720)	-
<u>Changes in ownership interests in subsidiaries</u>					
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(12)
Total changes in ownership interests in subsidiaries	-	-	-	-	(12)
Total transactions with equity holders in their capacity as equity holders	274	(2,994)	-	(2,720)	(12)
<u>Other</u>					
Appropriation to statutory reserve fund	-	(146)	146	-	-
Total other	-	(146)	146	-	-
Closing balance at 30 June 2018	27,984	95,496	(2,593)	120,887	586

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 equity holders of the Company				
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the Company, total S\$'000	Non-controlling interests S\$'000
Opening balance at 1 January 2017, as previously reported	27,130	92,900	(3,204)	116,826	1,844
Effect of adopting SFRS(I)	-	(1,825)	1,825	-	-
Opening balance at 1 January 2017, as restated	27,130	91,075	(1,379)	116,826	1,844
Profit for the period	-	383	-	383	34
<u>Other comprehensive loss</u>					
Foreign currency translation	-	-	(998)	(998)	(87)
Other comprehensive loss for the period, net of tax	-	-	(998)	(998)	(87)
Total comprehensive income/(loss) for the period	-	383	(998)	(615)	(53)
Total transactions with equity holders in their capacity as equity holders	-	-	-	-	-
<u>Other</u>					
Appropriation to statutory reserve fund	-	(4)	4	-	-
Total other	-	(4)	4	-	-
Closing balance at 31 March 2017	27,130	91,454	(2,373)	116,211	1,791
Profit/(loss) for the period	-	2,365	-	2,365	(237)
<u>Other comprehensive (loss)/income</u>					
Foreign currency translation	-	-	(238)	(238)	76
Other comprehensive (loss)/income for the period, net of tax	-	-	(238)	(238)	76
Total comprehensive income/(loss) for the period	-	2,365	(238)	2,127	(161)
<u>Contributions by and distributions to equity holders</u>					
Ordinary shares issued pursuant to performance share scheme	580	-	-	580	-
Dividends paid on ordinary shares	-	(2,987)	-	(2,987)	-
Total contributions by and distributions to equity holders	580	(2,987)	-	(2,407)	-
<u>Changes in ownership interests in subsidiaries</u>					
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(12)
Total changes in ownership interests in subsidiaries	-	-	-	-	(12)
Total transactions with equity holders in their capacity as equity holders	580	(2,987)	-	(2,407)	(12)
Closing balance at 30 June 2017	27,710	90,832	(2,611)	115,931	1,618

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 equity holders of the Company			
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
Opening balance at 1 January 2018	27,710	31,993	1,563	61,266
Profit for the period	-	1,677	-	1,677
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	1,677	-	1,677
Total transactions with equity holders in their capacity as equity holders	-	-	-	-
Closing balance at 31 March 2018	27,710	33,670	1,563	62,943
Profit for the period	-	4,495	-	4,495
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	4,495	-	4,495
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to performance share scheme	274	-	-	274
Dividends paid on ordinary shares	-	(2,994)	-	(2,994)
Total contributions by and distributions to equity holders	274	(2,994)	-	(2,720)
Total transactions with equity holders in their capacity as equity holders	274	(2,994)	-	(2,720)
Closing balance at 30 June 2018	27,984	35,171	1,563	64,718
Opening balance at 1 January 2017	27,130	27,812	1,554	56,496
Profit for the period	-	3,018	-	3,018
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,018	-	3,018
Total transactions with equity holders in their capacity as equity holders	-	-	-	-
Closing balance at 31 March 2017	27,130	30,830	1,554	59,514
Profit for the period	-	2,240	-	2,240
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	2,240	-	2,240
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to performance share scheme	580	-	-	580
Dividends paid on ordinary shares	-	(2,987)	-	(2,987)
Total contributions by and distributions to equity holders	580	(2,987)	-	(2,407)
Total transactions with equity holders in their capacity as equity holders	580	(2,987)	-	(2,407)
Closing balance at 30 June 2017	27,710	30,083	1,554	59,347

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares, excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

Ordinary shares issued and fully paid-up	Number of shares	Issued and paid-up share capital S\$'000
Balance as at 31 March 2018	199,107,061	27,710
Ordinary shares issued pursuant to performance share scheme	<u>468,200</u>	<u>274</u>
Balance as at 30 June 2018	<u>199,575,261</u>	<u>27,984</u>

There were no outstanding convertibles issued by the Company as at 30 June 2018 and 30 June 2017.

There were no treasury shares held by the Company as at 30 June 2018 and 30 June 2017. There were no subsidiary holdings as at 30 June 2018 and 30 June 2017. The percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings of 199,575,261 and 199,107,061 as at 30 June 2018 and 30 June 2017 were Nil% and Nil% respectively.

- 1(d)(iii) To show the 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.**

	Company	
	As at 30 Jun 18	As at 31 Dec 17
Total number of issued shares excluding treasury shares	<u>199,575,261</u>	<u>199,107,061</u>

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period ended 30 June 2018.

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

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period ended 30 June 2018.

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

The figures have not been audited nor reviewed by the Company's 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 paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2017.

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 has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") as issued by the Singapore Accounting Standards Council, that is identical to the International Financial Reporting Standards on 1 January 2018. In adopting SFRS(I), the Group has elected for the optional exemption to reset its cumulative translation differences for foreign operations to zero at the date of transition at 1 January 2017. As a result, cumulative translation losses of \$1,825,000 were reclassified from foreign currency translation reserve to retained earnings as at 1 January 2017.

In addition, the Group has adopted all the applicable new and revised SFRS(I) and Interpretations to SFRS(I) ("SFRS(I) INT") that are mandatory for the accounting periods beginning on or after 1 January 2018. The adoption of these new and revised SFRS(I) and SFRS(I) INT has no 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 18	30 Jun 17	30 Jun 18	30 Jun 17
Net profit attributable to shareholders (S\$'000)	2,509	2,365	2,954	2,748
Weighted average number of ordinary shares in issue	199,390,039	198,746,033	199,249,332	198,445,079
Basic and diluted earnings per share (S\$ cents)	1.26	1.19	1.48	1.38

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2018 and 30 June 2017.

- 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 18	As at 31 Dec 17	As at 30 Jun 18	As at 31 Dec 17
Net asset value, net of non-controlling interests (S\$'000)	120,887	120,924	64,718	61,266
Number of ordinary shares in issue, excluding treasury shares	199,575,261	199,107,061	199,575,261	199,107,061
Net asset value per ordinary share (S\$ cents)	60.57	60.73	32.43	30.77

- 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 18	30 Jun 17	+/-	30 Jun 18	30 Jun 17	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Exhibitions & Thematic	35,213	34,233	2.9%	65,071	59,428	9.5%
Retail & Corporate Interiors	45,005	38,869	15.8%	69,928	74,027	-5.5%
Research & Design	4,018	3,750	7.1%	7,337	6,645	10.4%
Alternative Marketing	1,567	1,922	-18.5%	4,489	4,869	-7.8%
	85,803	78,774	8.9%	146,825	144,969	1.3%

For the second quarter ended 30 June 2018 ("2Q 2018"), the Group recorded a revenue of S\$85.8 million, an increase of S\$7.0 million or 8.9% compared to S\$78.8 million for the previous corresponding quarter ended 30 June 2017 ("2Q 2017"). This brought revenue for the half year ended 30 June 2018 ("1H 2018") to S\$146.8 million, an increase of S\$1.9 million or 1.3% compared to S\$144.9 million for the previous corresponding half year ended 30 June 2017 ("1H 2017").

The **Exhibitions & Thematic division** registered a revenue of S\$65.1 million in 1H 2018, an increase of S\$5.6 million or 9.5% from S\$59.5 million in 1H 2017. In 2Q 2018, the division's revenue was S\$35.2 million, an increase of S\$1.0 million or 2.9% from S\$34.2 million recorded in 2Q 2017. The increase in revenue was due to the completion of several major events in 1H 2018. The key contributors to the division's revenue included major events and projects such as Art Stage Singapore 2018, Buds by Shangri-La Singapore, Food & Hotel Asia 2018, Money 2020 Asia 2018, Shenzhen Binhai Tencent Exhibition Centre, Singapore Airshow 2018, SMBC Singapore Open 2018, TFWA Asia Pacific Exhibition & Conference 2018, Vinexpo Hong Kong 2018 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S\$69.9 million in 1H 2018, a decrease of S\$4.1 million or 5.5% compared to S\$74.0 million in 1H 2017. In 2Q 2018, the division's revenue was S\$45.0 million, an increase of S\$6.1 million or 15.8% compared to S\$38.9 million in 2Q 2017. Demand for fit-out services from the retail segment remained soft. However, the division continued to see demand for fit-out services from the hospitality, corporate interior, food & beverage and mall public area segments. The key accounts which contributed to the division's revenue included clients and brand names such as AIA, Bottega Veneta, DBS Bank, Fendi, Hanoi French Hospital, Ralph Lauren, Singtel, Tiffany & Co. and Van Cleef & Arpels.

(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 (Cont'd)

The **Research & Design division** achieved a revenue of S\$7.3 million in 1H 2018, an increase of S\$0.7 million or 10.4% from S\$6.6 million in 1H 2017. In 2Q 2018, the division's revenue was S\$4.0 million, an increase of S\$0.3 million or 7.1% from S\$3.7 million recorded in 2Q 2017. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Procter & Gamble Co., TAG Heuer, Tencent and Valentino, and thematic projects in the region.

The **Alternative Marketing division** registered a revenue of S\$4.5 million in 1H 2018, a decrease of S\$0.4 million or 7.8% compared to S\$4.9 million in 1H 2017. In 2Q 2018, the division's revenue was S\$1.6 million, a decrease of S\$0.4 million or 18.5% compared to S\$2.0 million in 2Q 2017. The key contributors to the division's revenue included events and projects from clients such as Asia-Pacific Association for International Education, Automobile Association of Singapore, IPI Singapore, Robinson and Samsonite.

Gross Profit

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 18 S\$'000	30 Jun 17 S\$'000	+/- %	30 Jun 18 S\$'000	30 Jun 17 S\$'000	+/- %
Revenue	85,803	78,774	8.9%	146,825	144,969	1.3%
Gross profit	20,327	19,769	2.8%	35,698	35,320	1.1%
Gross profit margin	23.7%	25.1%		24.3%	24.4%	

Gross profit in 1H 2018 increased by S\$0.4 million or 1.1% to S\$35.7 million compared to S\$35.3 million in 1H 2017. Gross profit was higher at S\$20.3 million in 2Q 2018, an increase of S\$0.6 million or 2.8% from S\$19.7 million in 2Q 2017. The gross profit registered was due to higher revenue recorded but at a lower gross profit margin of 24.3% in 1H 2018 compared to 24.4% in 1H 2017 and 23.7% in 2Q 2018 compared to 25.1% in 2Q 2017.

Other Items of Income

Interest income relates mainly to interest income earned from short-term deposits and bank balances placed with banks.

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

- (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 (Cont'd)

Other Items of Expense

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 18	30 Jun 17	+/-	30 Jun 18	30 Jun 17	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	437	513	-14.8%	959	1,033	-7.2%
Employee benefits expense	14,616	13,528	8.0%	27,567	25,817	6.8%
Other expenses	3,768	4,167	-9.6%	6,209	7,220	-14.0%
Interest expense	190	128	48.4%	340	269	26.4%
	19,011	18,336	3.7%	35,075	34,339	2.1%

Higher operating expenses were incurred in 1H 2018 and 2Q 2018 compared to 1H 2017 and 2Q 2017 respectively. The lower depreciation charge on property, plant and equipment was mainly due to fully depreciated assets, of which no further depreciation charge was recorded in 1H 2018. The increase in employee benefits expense was mainly due to higher cost resulting from increased headcount and average wage, and higher performance linked incentives recorded. Other expenses were lower mainly due to a net foreign exchange loss of S\$1.0 million and S\$0.7 million recorded in 1H 2017 and 2Q 2017 respectively compared to a net foreign exchange gain of S\$0.9 million and S\$1.2 million recorded in other income in 1H 2018 and 2Q 2018 respectively. This arose mainly from the depreciation of the Singapore Dollar against the various currencies that the Group conducted its operations in, in particular the United States Dollar. The increase in interest expense was mainly due to a higher amount of loans and borrowings outstanding in 1H 2018 compared to 1H 2017.

Share of Results of Associates

Share of results of associates increased by S\$0.3 million from S\$0.1 million in 1H 2017 to S\$0.4 million in 1H 2018 and by S\$0.1 million from S\$0.1 million in 2Q 2017 to S\$0.2 million in 2Q 2018. The increase was mainly due to higher profit contribution from an associate and partially offset by loss contribution from other associates.

Profit Net of Tax Attributable to Equity Holders of the Company

Based on the above, profit net of tax attributable to equity holders of the Company increased by S\$0.2 million or 7.5% from S\$2.7 million in 1H 2017 to S\$2.9 million in 1H 2018. Profit net of tax attributable to equity holders of the Company increased by S\$0.1 million or 6.1% from S\$2.4 million in 2Q 2017 to S\$2.5 million in 2Q 2018.

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

Cash Flow

Net cash used in operating activities of S\$2.5 million in 1H 2018 mainly arose from cash outflow from a net increase in working capital requirements of S\$5.2 million (largely from movements in contract assets, and trade and other receivables). In 2Q 2018, net cash from operating activities of S\$0.8 million mainly arose from profit before tax of S\$3.5 million and partially offset by cash outflow from a net increase in working capital requirements of S\$1.6 million (largely from movements in contract assets, trade and other receivables, and trade and other payables). Net cash used in investing activities of S\$9.9 million and S\$4.3 million in 1H 2018 and 2Q 2018 respectively comprised mainly of purchase of property, plant and equipment. Net cash from financing activities of S\$8.7 million and S\$5.9 million in 1H 2018 and 2Q 2018 respectively mainly arose from net proceeds from loans and borrowings. Based on the above, the Group had a net decrease in cash and cash equivalents of S\$3.7 million in 1H 2018 and a net increase in cash and cash equivalents of S\$2.4 million in 2Q 2018. The cash and cash equivalents stood at S\$67.6 million as at 30 June 2018.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

In the announcement on 10 May 2018, the Group stated that, barring unforeseen circumstances, it expects FY2018 to be a profitable year. The 2Q 2018 results 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 Exhibitions & Thematic division continues to see strong demand for its services and expertise in the exhibition, event, museum and thematic industries across Asia Pacific and the Middle East, underpinned by the growing demand for unique, engaging, diverse and original experiences. The division will continue to enhance its capabilities and core offerings to offer targeted solutions and engage its existing and new clients.

The Retail and Corporate Interiors division continues to expand the capabilities of its value chain, and develop and better integrate its service offerings to add value to its clients. With its broad range of service offerings and expertise, the division remains well-positioned to capitalise on the opportunities in the retail, hospitality, corporate interior, food & beverage and mall public area segments.

The line-up of projects already secured, and are currently being pursued, provide a good base on which the Group will continue to grow its existing businesses, while it continues the next phase of transformation with its entry into new business areas. As at 31 July 2018, the Group has secured contracts of S\$322 million, of which S\$273 million is expected to be recognised in FY2018. Barring unforeseen circumstances, the Group expects FY2018 to be a profitable year.

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 SGD Cents)	1.00
Tax Rate	Tax exempt (one tier)

(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 SGD Cents)	1.00
Tax Rate	Tax exempt (one tier)

(c) Date payable

The above proposed dividends (the "Dividends") will be paid on 19 September 2018.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 7 September 2018 to determine shareholders' entitlements to the Dividends and for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5:00 p.m. on 6 September 2018 will be registered to determine shareholders' entitlements to the Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 6 September 2018 will be entitled to the Dividends.

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

No applicable.

13 If the group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited. If no interested person transactions mandate has been obtained, a statement to that effect.

No interested person transaction mandate has been obtained from the shareholders of the Company. There were no interested person transactions of S\$100,000 and above entered into by the Group during the current financial period ended 30 June 2018.

14 Confirmation of negative assurance by the Board of Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

We, Soh Siak Poh Benedict and Simon Ong Chin Sim, being two of the Directors of Kingsmen Creatives Ltd. (the "Company"), do hereby confirm 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 of Directors which may render the unaudited financial results for the current financial period ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Soh Siak Poh Benedict
Executive Chairman

Simon Ong Chin Sim
Deputy Executive Chairman

8 August 2018

15 Confirmation that the issuer has procured undertakings from its directors and executive officers under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Company confirms that it has procured undertakings from its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD OF DIRECTORS

Soh Siak Poh Benedict
Executive Chairman

8 August 2018