

NEWS RELEASE

KINGSMEN REPORTS FULL YEAR NET PROFIT OF S\$8.2 MILLION

- Revenue increases 17.5% to S\$360.9 million
- Strong pipeline of projects
- Proposes final dividend of 1.5 Singapore cents per share

FY2018 Results Highlights

	FY2018	FY2017	Change
Revenue	S\$360.9m	S\$307.2m	17.5%
Gross profit	S\$82.0m	S\$77.2m	6.3%
Net profit	S\$8.2m	S\$9.7m	-16.3%
EPS	4.09 cents	4.90 cents	-16.5%

“We continue to see good demand for our services and will continue to pursue opportunities in the marketplace, focusing on offering solutions that provide differentiated experiences. FY2018 was a milestone year for us as we transited into the next phase of our business transformation with new initiatives and investments. These include the move into our new HQ - The Kingsmen Experience: the strategic core and innovation hub for the Group, the incorporation of NAX Singapore; the operating company for the NERF attraction in Singapore and securing Marina Square as its location of operation, and the reorganisation of processes in the Group’s Johor factory. These initiatives resulted in additional costs to the Group and had an impact on our bottomline. Moving forward, we are excited about the opportunities that are available and will leverage on the capabilities that have been built, enhance them, and push forward to strengthen our presence in our core business areas and secure new ones.” said **Mr Andrew Cheng, Group CEO of Kingsmen.**

Singapore, February 19, 2019 – Kingsmen Creatives Ltd. (“Kingsmen”) (“金明创新”), and its subsidiaries (the “Group”), a leading communication design and production group in Asia Pacific, the Middle East and America, today announced a net profit of S\$8.2 million for the year ended December 31, 2018 (“FY2018”). This is a 16.3% decrease from S\$9.7 million in the previous corresponding year. Group revenue increased 17.5% to S\$360.9 million in FY2018, from S\$307.2 million in FY2017.

The **Exhibitions & Thematic division** registered a revenue of S\$160.3 million in FY2018, an increase of S\$23.5 million or 17.2% from S\$136.8 million in FY2017. The increase in revenue was due to the completion of several major events and projects, including BNP Paribas WTA Finals Singapore presented by SC Global, Food & Hotel Asia 2018, Formula 1 Singapore Grand Prix, National Day Parade 2018, Singapore Airshow 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\$172.0 million in FY2018, an increase of S\$28.8 million or 20.1% compared to S\$143.2 million in FY2017. This was due to the contribution of several key projects, including clients and brand names such as AIA, Bottega Veneta, Coach, Fendi, Hanoi French Hospital, Nike, Singtel, Tiffany & Co., Van Cleef & Arpels and YATA.

The **Research & Design division** achieved a revenue of S\$17.1 million in FY2018, an increase of S\$1.6 million or 10.3% compared to S\$15.5 million in FY2017. 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\$11.6 million in FY2018, a decrease of S\$0.2 million or 1.9% from S\$11.8 million in FY2017. 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, Samsonite and Sustainable Energy Association of Singapore.

Outlook for 2019 and Beyond

The Group continues to pitch heavily for projects and is optimistic of performing well in FY2019, given the good pipeline of contracts and demand for the Group's services. As at 31 January 2019, the Group has secured contracts of S\$103 million, of which S\$87 million is expected to be recognised in FY2019.

Commenting on the Group's strategies going forward, Mr Cheng said: "Looking ahead, the growing trend towards experiential bodes well for us and we are well equipped and confident of capitalising on the opportunities available. Over time, our aim is to transform ourselves into a creator of experiences around the world. Beyond the creative and fulfilment services we currently provide to our global clients, we will expand into branded experiential attractions, and focus on 3 broad areas: active play, edutainment and live events. The introduction of TOYBOX, a multi-brand carnival, powered by Hasbro into Asia this February and the opening of the world's first NERF experience in Singapore in the fourth quarter of 2019 are examples of how we intend to build our branded business portfolio. We are optimistic that these actions will lead to clearer differentiated offerings and provide us with greater opportunities for growth."

The **Exhibitions & Thematic division** continues to see growing demand for unique and engaging experiences from the market and its clients. The line-up of projects and attractions already secured, and are currently being pursued, provide a firm foundation for the division to continue its momentum in 2019 and beyond.

Even as the **Retail & Corporate Interiors division** pursues opportunities and projects in other market segments, it will continue to maintain its market position in the retail interiors space. The division will continue to enhance and expand the capabilities of its value chain to derive greater efficiencies and integration of its service offerings. This will allow the division to explore more opportunities and enhance its value and competitiveness.

In line with the Group's policy of distributing its profits to reward loyal shareholders, the Board is recommending a final dividend of 1.5 Singapore cents per ordinary share.

About Kingsmen Creatives Ltd.

Listed on the Mainboard of the Singapore Exchange, Kingsmen is a leading communication design and production group. Established in 1976, the Group has a network of 21 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 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 and Wing Tai Asia.

For more information, please visit: <http://www.kingsmen-int.com/>.

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