

## NEWS RELEASE

### KINGSMEN REPORTS 1H 2020 NET LOSS OF \$5.3 MILLION, IMPACTED BY GLOBAL PANDEMIC

- Revenue decreases 28.8% to S\$123.0 million
- Strong fundamentals to weather headwinds with healthy balance sheet
- Pipeline of projects secured stands at S\$270 million

#### 1H 2020 Results Highlights

	1H 2020	1H 2019	Change
Revenue	S\$123.0m	S\$172.9m	-28.8%
Gross profit	S\$23.4m	S\$38.7m	-39.6%
Net profit	-S\$5.3m	S\$1.8m	n/m
EPS	-2.63 cents	0.88 cents	n/m

Note: n/m denotes not meaningful

“The impact of the global pandemic to our business has been severe, particularly in the second quarter, as country-wide lockdowns and strict travel restrictions were imposed around the world and human interaction came to a standstill. These have led to the cancellation and postponement of projects, temporary closure of factories and operations, and a disruption in the supply chain across all our business segments. As a result, we registered a decline in revenue and higher cost of sales. Given the difficult operating environment, we have taken deliberate steps, implementing stringent and wide-ranging cost containment and saving measures to reduce expenses and conserve cash. Despite these efforts, it was not sufficient for us to achieve a positive bottom line. Our working capital position however remains healthy and our priority is to ensure business continuity through tight cost management measures while seeking out opportunities that will strengthen our capabilities and competitiveness for the long-term.” said **Mr Andrew Cheng, Group CEO of Kingsmen.**

*Singapore, August 13, 2020* – 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 loss of S\$5.3 million for the six months ended June 30, 2020 (“1H 2020”) compared to a net profit of S\$1.8 million for the previous corresponding period (“1H 2019”). Group revenue fell 28.8% to S\$123.0 million in 1H 2020, from S\$172.9 million in 1H 2019.

The **Exhibitions, Thematic & Attractions division** registered a revenue of S\$66.3 million in 1H 2020, a decrease of S\$16.9 million or 20.3% from S\$83.2 million in 1H 2019. The decrease in revenue was mainly due to the cancellation and postponement of trade shows, conferences and events by clients and the temporary closure of operations of the experiential attractions due to circuit breaker measures. Amid the pandemic, the Group’s diversified capabilities have enabled it to secure government related COVID-19 projects which contributed to the division’s revenue.

The **Retail & Corporate Interiors division** recorded a revenue of S\$47.8 million in 1H 2020, a decrease of S\$31.5 million or 39.7% compared to S\$79.3 million in 1H 2019. The division was impacted by delays and restrictions in project execution from significant disruption in its supply chain and production activities from temporary closure of factories.

The **Research & Design division** achieved a revenue of S\$6.8 million in 1H 2020, a decrease of S\$1.3 million or 16.3% from S\$8.1 million in 1H 2019. Although some projects were put on hold, the division continued to see numerous projects proceeding or completed as planned.

The **Alternative Marketing division** registered a revenue of S\$2.1 million in 1H 2020, a decrease of S\$0.2 million or 7.6% compared to S\$2.3 million in 1H 2019. The division was impacted by the decline in demand for brand activation events and projects following cancellations and postponement by clients.

### Outlook for 2020 and Beyond

Sharing the Group's outlook for FY2020 and beyond, Mr Cheng said: "The COVID-19 pandemic is severely impacting global economic activity. While business activities are gradually resuming, uncertainty remains, especially as we see the resurgence of the virus in major cities around the world. We expect the months ahead to be challenging, given the on-going disruption to supply chains, and delays and restrictions in executing existing projects. Clients, while already planning for the future, are cautious in committing new orders, especially in exhibitions and events, and this business area is likely to remain depressed in the near term. On the positive side, we are seeing a pick up in our other business areas and are in pitches for several project opportunities.

While the pandemic has had a devastating impact on the experiential attractions business for the moment, we see pent up and good demand for activity and engagement platforms once the pandemic is under control. We will press on with our transformation efforts, with an aim to create better experiences and differentiated solutions to ensure that we remain relevant to market needs."

As at 31 July 2020, the Group has secured contracts of S\$270 million, of which S\$225 million is expected to be recognised in FY2020.

**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 & Attractions, 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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