



KINGSMEN CREATIVES LTD.
(Company Registration Number: 200210790Z)

Unaudited Condensed Interim Financial Statements
For the Half Year Ended 30 June 2022

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Condensed interim consolidated statement of profit or loss and other comprehensive income

| | Note | Group | | Change % |
|---|------|-----------------------|-----------------------|-------------|
| | | Half Year Ended | | |
| | | 30 Jun 22 S\$'000 | 30 Jun 21 S\$'000 | |
| Revenue | | 122,396 | 117,086 | 4.5% |
| Cost of sales | | <u>(96,297)</u> | <u>(93,685)</u> | 2.8% |
| Gross profit | | 26,099 | 23,401 | 11.5% |
| Other items of income | | | | |
| Interest income | | 169 | 117 | 44.4% |
| Other income | 6 | 2,526 | 5,337 | -52.7% |
| Other items of expense | | | | |
| Depreciation of property, plant and equipment | | (1,376) | (1,553) | -11.4% |
| Employee benefits expense | | (23,963) | (22,432) | 6.8% |
| Other expenses | | (4,305) | (5,942) | -27.5% |
| Interest expense | | (453) | (517) | -12.4% |
| Share of result of joint venture | | - | - | - |
| Share of results of associates | | <u>(101)</u> | <u>(774)</u> | -87.0% |
| Loss before tax | 7 | <u>(1,404)</u> | <u>(2,363)</u> | -40.6% |
| Income tax expense | 8 | <u>(525)</u> | <u>(125)</u> | 320.0% |
| Loss net of tax | | <u><u>(1,929)</u></u> | <u><u>(2,488)</u></u> | -22.5% |
| Other comprehensive income/(loss): | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translating foreign operations, net of tax | | <u>(909)</u> | <u>791</u> | n/m |
| | | <u>(909)</u> | <u>791</u> | n/m |
| Item that will not be reclassified to profit or loss: | | | | |
| Change in fair value of equity instruments at fair value through other comprehensive income | | <u>(560)</u> | <u>1,535</u> | n/m |
| | | <u>(560)</u> | <u>1,535</u> | n/m |
| Other comprehensive (loss)/income for the period, net of tax | | <u>(1,469)</u> | <u>2,326</u> | n/m |
| Total comprehensive loss | | <u><u>(3,398)</u></u> | <u><u>(162)</u></u> | 1997.5% |
| Loss net of tax attributable to: | | | | |
| Equity holders of the Company | | (1,549) | (1,709) | -9.4% |
| Non-controlling interests | | <u>(380)</u> | <u>(779)</u> | -51.2% |
| Loss net of tax | | <u><u>(1,929)</u></u> | <u><u>(2,488)</u></u> | -22.5% |
| Total comprehensive income/(loss) attributable to: | | | | |
| Equity holders of the Company | | (2,935) | 657 | n/m |
| Non-controlling interests | | <u>(463)</u> | <u>(819)</u> | -43.5% |
| Total comprehensive loss | | <u><u>(3,398)</u></u> | <u><u>(162)</u></u> | 1997.5% |
| Loss per share attributable to equity holders of the Company (cents per share) | | | | |
| Basic | 9 | <u>(0.77)</u> | <u>(0.85)</u> | |
| Diluted | 9 | <u><u>(0.77)</u></u> | <u><u>(0.85)</u></u> | |

Note :

n/m = not meaningful

Condensed interim statements of financial position

| | Note | Group | | Company | |
|--|------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | As at 30 Jun 22 S\$'000 | As at 31 Dec 21 S\$'000 | As at 30 Jun 22 S\$'000 | As at 31 Dec 21 S\$'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Land use rights | | 6,954 | 7,118 | 5,645 | 5,766 |
| Property, plant and equipment | 12 | 37,534 | 39,221 | 21,763 | 22,358 |
| Investment property | | 1,542 | 1,591 | - | - |
| Intangible assets | | 5,528 | 5,467 | - | - |
| Investments in subsidiaries | | - | - | 28,649 | 28,649 |
| Investment in joint venture | | - | - | - | - |
| Investments in associates | | 3,054 | 3,257 | 3,430 | 3,430 |
| Other investments | 13 | 2,442 | 3,243 | 2,442 | 3,243 |
| Right-of-use assets | | 4,329 | 2,962 | 9 | 10 |
| Deferred tax assets | | 2,978 | 2,442 | - | - |
| | | <u>64,361</u> | <u>65,301</u> | <u>61,938</u> | <u>63,456</u> |
| Current assets | | | | | |
| Inventories | | 1,686 | 1,641 | - | - |
| Contract assets | | 41,810 | 24,651 | - | - |
| Trade and other receivables | | 55,722 | 74,300 | 4,477 | 1,376 |
| Other assets | | 3,761 | 2,983 | 36 | 17 |
| Cash and cash equivalents | | 72,382 | 81,534 | 6,695 | 7,365 |
| | | <u>175,361</u> | <u>185,109</u> | <u>11,208</u> | <u>8,758</u> |
| Total assets | | <u>239,722</u> | <u>250,410</u> | <u>73,146</u> | <u>72,214</u> |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to equity holders | | | | | |
| of the Company | | | | | |
| Share capital | | 29,191 | 29,191 | 29,191 | 29,191 |
| Retained earnings | | 81,320 | 82,628 | 27,002 | 23,932 |
| Other reserves | | (3,898) | (2,307) | (612) | 189 |
| | | <u>106,613</u> | <u>109,512</u> | <u>55,581</u> | <u>53,312</u> |
| Non-controlling interests | | (938) | (475) | - | - |
| Total equity | | <u>105,675</u> | <u>109,037</u> | <u>55,581</u> | <u>53,312</u> |
| Non-current liabilities | | | | | |
| Trade and other payables | | 1,153 | 1,134 | - | - |
| Other financial liabilities | 14 | 22,330 | 23,436 | 14,058 | 14,695 |
| Deferred tax liabilities | | 295 | 278 | 81 | 81 |
| | | <u>23,778</u> | <u>24,848</u> | <u>14,139</u> | <u>14,776</u> |
| Current liabilities | | | | | |
| Contract liabilities | | 7,920 | 6,329 | - | - |
| Trade and other payables | | 84,029 | 91,638 | 1,856 | 2,545 |
| Other financial liabilities | 14 | 13,329 | 12,234 | 1,310 | 1,324 |
| Other liabilities | | 3,365 | 4,532 | 64 | 59 |
| Income tax payable | | 1,626 | 1,792 | 196 | 198 |
| | | <u>110,269</u> | <u>116,525</u> | <u>3,426</u> | <u>4,126</u> |
| Total liabilities | | <u>134,047</u> | <u>141,373</u> | <u>17,565</u> | <u>18,902</u> |
| Total equity and liabilities | | <u>239,722</u> | <u>250,410</u> | <u>73,146</u> | <u>72,214</u> |

Condensed interim statements of changes in equity

| Group | Attributable to equity holders of the Company | | | | | Equity, total S\$'000 |
|---|---|---------------------------------|------------------------------|---|---|-----------------------------|
| | 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 2022 | 29,191 | 82,628 | (2,307) | 109,512 | (475) | 109,037 |
| Loss for the period | - | (1,549) | - | (1,549) | (380) | (1,929) |
| <u>Other comprehensive loss</u> | | | | | | |
| Change in fair value of equity instruments at fair value through other comprehensive income | - | - | (560) | (560) | - | (560) |
| Foreign currency translation | - | - | (826) | (826) | (83) | (909) |
| Other comprehensive loss for the period, net of tax | - | - | (1,386) | (1,386) | (83) | (1,469) |
| Total comprehensive loss for the period | - | (1,549) | (1,386) | (2,935) | (463) | (3,398) |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | |
| Realisation of reserve upon struck off of a subsidiary | - | - | 36 | 36 | - | 36 |
| Total changes in ownership interests in subsidiaries | - | - | 36 | 36 | - | 36 |
| Total transactions with equity holders in their capacity as equity holders | - | - | 36 | 36 | - | 36 |
| <u>Other</u> | | | | | | |
| Transfer of fair value reserve upon disposal of equity instrument at fair value through other comprehensive income | - | 241 | (241) | - | - | - |
| Total other | - | 241 | (241) | - | - | - |
| Closing balance at 30 June 2022 | 29,191 | 81,320 | (3,898) | 106,613 | (938) | 105,675 |

Condensed interim statements of changes in equity (cont'd)

| Group | Attributable to equity holders of the Company | | | | | Equity, total S\$'000 |
|--|---|---------------------------------|------------------------------|---|---|-----------------------------|
| | 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 2021 | 29,191 | 82,260 | (6,434) | 105,017 | 772 | 105,789 |
| Loss for the period | - | (1,709) | - | (1,709) | (779) | (2,488) |
| <u>Other comprehensive income/(loss)</u> | | | | | | |
| Change in fair value of equity instruments at fair value through other comprehensive income | - | - | 1,535 | 1,535 | - | 1,535 |
| Foreign currency translation | - | - | 831 | 831 | (40) | 791 |
| Other comprehensive income/(loss) for the period, net of tax | - | - | 2,366 | 2,366 | (40) | 2,326 |
| Total comprehensive (loss)/income for the period | - | (1,709) | 2,366 | 657 | (819) | (162) |
| Total transactions with equity holders in their capacity as equity holders | - | - | - | - | - | - |
| Closing balance at 30 June 2021 | 29,191 | 80,551 | (4,068) | 105,674 | (47) | 105,627 |

Condensed interim statements of changes in equity (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 2022 | 29,191 | 23,932 | 189 | 53,312 |
| Profit for the period | - | 2,829 | - | 2,829 |
| <u>Other comprehensive loss</u> | | | | |
| Change in fair value of equity instruments at fair value through other comprehensive income | - | - | (560) | (560) |
| Other comprehensive loss for the period, net of tax | - | - | (560) | (560) |
| Total comprehensive income/(loss) for the period | - | 2,829 | (560) | 2,269 |
| Total transactions with equity holders in their capacity as equity holders | - | - | - | - |
| <u>Other</u> | | | | |
| Transfer of fair value reserve upon disposal of equity instrument at fair value through other comprehensive income | - | 241 | (241) | - |
| Total other | - | 241 | (241) | - |
| Closing balance at 30 June 2022 | 29,191 | 27,002 | (612) | 55,581 |
| Opening balance at 1 January 2021 | 29,191 | 25,427 | (1,931) | 52,687 |
| Profit for the period | - | 4,350 | - | 4,350 |
| <u>Other comprehensive income</u> | | | | |
| Change in fair value of equity instruments at fair value through other comprehensive income | - | - | 1,535 | 1,535 |
| Other comprehensive income for the period, net of tax | - | - | 1,535 | 1,535 |
| Total comprehensive income for the period | - | 4,350 | 1,535 | 5,885 |
| Total transactions with equity holders in their capacity as equity holders | - | - | - | - |
| Closing balance at 30 June 2021 | 29,191 | 29,777 | (396) | 58,572 |

Condensed interim consolidated statement of cash flows

| | Group | |
|---|----------------------|----------------------|
| | Half Year Ended | |
| | 30 Jun 22 | 30 Jun 21 |
| | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Loss before tax | (1,404) | (2,363) |
| Adjustments for: | | |
| Amortisation of intangible assets | 56 | 14 |
| Amortisation of land use rights | 135 | 135 |
| Depreciation of investment property | 9 | - |
| Depreciation of property, plant and equipment | 1,602 | 2,596 |
| Depreciation of right-of-use assets | 1,117 | 1,254 |
| Gain on disposal of assets classified as held for sale | - | (1,558) |
| Net loss/(gain) on disposal of property, plant and equipment | 13 | (9) |
| Net (write-back of impairment loss)/impairment loss on doubtful trade receivables | (355) | 1,401 |
| Property, plant and equipment written off | - | 17 |
| Write-off of trade and other payables | (153) | - |
| Interest income | (169) | (117) |
| Interest expense | 453 | 517 |
| Share of results of associates | 101 | 774 |
| Currency realignment | (657) | 19 |
| Operating cash flows before changes in working capital | <u>748</u> | <u>2,680</u> |
| (Increase)/decrease in: | | |
| Inventories | (45) | (36) |
| Contract assets | (17,159) | (12,798) |
| Trade and other receivables | 19,173 | 10,197 |
| Other assets | (751) | 728 |
| Increase/(decrease) in: | | |
| Contract liabilities | 1,591 | 2,196 |
| Trade and other payables | (7,437) | (9,718) |
| Other liabilities | (1,167) | 1,185 |
| Net cash flows used in operations | <u>(5,047)</u> | <u>(5,566)</u> |
| Interest received | 169 | 117 |
| Interest paid | (320) | (374) |
| Income tax paid | (1,234) | (1,291) |
| Net cash flows used in operating activities | <u>(6,432)</u> | <u>(7,114)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (256) | (378) |
| Proceeds from disposal of assets classified as held for sale | - | 3,153 |
| Proceeds from disposal of property, plant and equipment | 21 | 16 |
| Acquisition of other investments | - | (262) |
| Net cash flows (used in)/from investing activities | <u>(235)</u> | <u>2,529</u> |
| Cash flows from financing activities | | |
| Proceeds from draw down of loans and borrowings | 2,418 | 3,929 |
| Repayment of loans and borrowings | (3,369) | (6,768) |
| Repayment of lease liabilities | (1,713) | (1,691) |
| Decrease/(increase) in deposits pledged for bank facilities | 91 | (38) |
| Net cash flows used in financing activities | <u>(2,573)</u> | <u>(4,568)</u> |
| Net decrease in cash and cash equivalents | (9,240) | (9,153) |
| Effect of exchange rate changes on cash and cash equivalents | 108 | 749 |
| Cash and cash equivalents at beginning of period | 80,389 | 78,672 |
| Cash and cash equivalents at end of period (Note A) | <u><u>71,257</u></u> | <u><u>70,268</u></u> |

Condensed interim consolidated statement of cash flows (cont'd)

Note A

Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following:-

| | Group | |
|--|------------------------|------------------------|
| | As at 30 Jun 22 | As at 30 Jun 21 |
| | S\$'000 | S\$'000 |
| Cash at banks and in hand | 50,971 | 47,751 |
| Short-term deposits | 21,411 | 24,100 |
| Cash and cash equivalents in statement of financial position | <u>72,382</u> | <u>71,851</u> |
| Bank overdrafts | (308) | (452) |
| Deposits pledged for bank facilities | (817) | (1,131) |
| Cash and cash equivalents for statement of cash flows | <u><u>71,257</u></u> | <u><u>70,268</u></u> |

Notes to the condensed interim financial statements

1. General

Kingsmen Creatives Ltd. (the "Company") is a limited liability company incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited.

The primary activities of the Company are investment holding and the provision of corporate marketing and other related services. The principal activities of the subsidiaries are the design and production of interiors, exhibitions, decorations, museums and thematic, as well as the development and operation of experiential and themed attractions.

2. Basis of preparation

The condensed interim financial statements for the half year ended 30 June 2022 have been prepared in accordance with the Singapore Financial Reporting Standard (International) 1-34 Interim Financial Reporting as issued by the Singapore Accounting Standards Council. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and financial performance since the last audited financial statements for the financial year ended 31 December 2021.

The condensed interim financial statements are presented in Singapore dollars ("S\$") and all values are rounded to the nearest thousand (S\$'000) except when otherwise indicated and they cover the Company and its subsidiaries (collectively, the "Group").

Except as disclosed in Note 2.1 below, the accounting policies and methods of computation adopted in the condensed interim financial statements are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2021.

2.1. New and revised standards adopted

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the accounting periods beginning on or after 1 January 2022. The adoption of these new and revised SFRS(I) and INT SFRS(I) did not result in any substantial change to the accounting policies and has no significant impact on the condensed interim financial statements.

2.2. Use of judgements, estimates and assumptions

In preparing the condensed interim financial statements, management has made estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates and assumptions. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations and assumptions, management has made judgements in the process of applying the accounting policies. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements made by management in applying the accounting policies and the key assumptions and sources of estimation uncertainty were the same as those that applied to the audited financial statements for the financial year ended 31 December 2021.

Notes to the condensed interim financial statements (cont'd)

3. Related party transactions

In addition to the transactions disclosed elsewhere in the condensed interim financial statements, significant related company and related party transactions include the following:

| | Group | | Company | |
|------------------------|-----------------|-----------|-----------------|-----------|
| | Half Year Ended | | Half Year Ended | |
| | 30 Jun 22 | 30 Jun 21 | 30 Jun 22 | 30 Jun 21 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Joint venture</u> | | | | |
| Sales | - | 11 | - | - |
| <u>Associates</u> | | | | |
| Sales | 23 | 182 | - | - |
| Purchases | 601 | 487 | 6 | - |
| Corporate fee income | 139 | 126 | 139 | 126 |
| Rental income | 40 | 36 | 40 | 36 |
| <u>Related parties</u> | | | | |
| Sales | 44 | - | - | - |
| Purchases | 92 | 47 | 15 | 8 |
| Corporate fee income | 187 | 156 | 187 | 156 |

4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the half year ended 30 June 2022.

5. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has five reportable operating segments as follows:

- (a) The Exhibitions, Thematic and Attractions segment relates to the production of exhibition displays for trade shows and promotional events, interiors and displays for museums and visitor centres and thematic and scenic displays for theme parks, as well as the development and operation of experiential and themed attractions.
- (b) The Retail and Corporate Interiors segment relates to the provision of interior fitting-out services to retail and commercial properties.
- (c) The Research and Design segment relates to design works for upmarket specialty stores, departmental stores, eateries, museums, visitors' centres, corporate offices, showrooms, trade shows, events, promotional functions and festivals.
- (d) The Alternative Marketing segment relates to event management, branding consultancy services and custom publishing.
- (e) The Corporate and Others segment relates to Group-level corporate services.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision makers who are responsible for making decisions about resource allocation and performance assessment.

Segment assets and liabilities are not disclosed as they are not regularly provided to the chief operating decision makers.

Notes to the condensed interim financial statements (cont'd)

5.1. Reportable segment profit or loss

| Half Year Ended 30 Jun 22 | Exhibitions, Thematic and Attractions S\$'000 | Retail and Corporate Interiors S\$'000 | Research and Design S\$'000 | Alternative Marketing S\$'000 | Corporate and Others S\$'000 | Eliminations S\$'000 | Per Condensed Interim Financial Statements S\$'000 |
|--|---|---|--------------------------------------|-------------------------------------|---------------------------------------|-------------------------|--|
| Revenue | | | | | | | |
| External customers | 50,596 | 64,355 | 5,817 | 1,628 | - | - | 122,396 |
| Inter-segment (Note A) | 1,170 | 1,699 | - | 166 | - | (3,035) | - |
| Total revenue | <u>51,766</u> | <u>66,054</u> | <u>5,817</u> | <u>1,794</u> | <u>-</u> | <u>(3,035)</u> | <u>122,396</u> |
| Results | | | | | | | |
| Interest income | 68 | 69 | 12 | 8 | 12 | - | 169 |
| Interest expense | (125) | (212) | (7) | (4) | (105) | - | (453) |
| Amortisation of intangible assets | (56) | - | - | - | - | - | (56) |
| Amortisation of land use rights | - | (14) | - | - | (121) | - | (135) |
| Depreciation of investment property | - | (9) | - | - | - | - | (9) |
| Depreciation of property, plant and equipment | (689) | (515) | (134) | (44) | (220) | - | (1,602) |
| Depreciation of right-of-use assets | (349) | (606) | (152) | (8) | (2) | - | (1,117) |
| Loss on disposal of property, plant and equipment | - | - | - | (13) | - | - | (13) |
| Net write-back of impairment loss/(impairment loss) on doubtful trade receivables | 438 | (77) | (6) | - | - | - | 355 |
| Write-off of trade and other payables | 143 | 10 | - | - | - | - | 153 |
| Share of results of associates | (103) | 5 | (3) | - | - | - | (101) |
| Segment (loss)/profit | <u>(974)</u> | <u>651</u> | <u>(217)</u> | <u>(626)</u> | <u>(238)</u> | <u>-</u> | <u>(1,404)</u> |

Notes to the condensed interim financial statements (cont'd)

5.1. Reportable segment profit or loss (cont'd)

| Half Year Ended 30 Jun 21 | Exhibitions, Thematic and Attractions S\$'000 | Retail and Corporate Interiors S\$'000 | Research and Design S\$'000 | Alternative Marketing S\$'000 | Corporate and Others S\$'000 | Eliminations S\$'000 | Per Condensed Interim Financial Statements S\$'000 |
|---|---|---|--------------------------------------|-------------------------------------|---------------------------------------|-------------------------|--|
| Revenue | | | | | | | |
| External customers | 45,609 | 64,334 | 6,042 | 1,101 | - | | 117,086 |
| Inter-segment (Note A) | 786 | 1,864 | - | 189 | - | (2,839) | - |
| Total revenue | 46,395 | 66,198 | 6,042 | 1,290 | - | (2,839) | 117,086 |
| Results | | | | | | | |
| Interest income | 40 | 52 | 6 | 8 | 11 | | 117 |
| Interest expense | (157) | (223) | (11) | (2) | (124) | | (517) |
| Amortisation of intangible asset | (14) | - | - | - | - | | (14) |
| Amortisation of land use rights | - | (13) | - | - | (122) | | (135) |
| Depreciation of property, plant and equipment | (1,462) | (696) | (157) | (48) | (233) | | (2,596) |
| Depreciation of right-of-use assets | (448) | (592) | (194) | (8) | (12) | | (1,254) |
| Gain on disposal of assets classified as held for sale | 1,558 | - | - | - | - | | 1,558 |
| Net gain on disposal of property, plant and equipment | 4 | 4 | 1 | - | - | | 9 |
| Net impairment loss on doubtful trade receivables | (286) | (1,115) | - | - | - | | (1,401) |
| Property, plant and equipment written off | (17) | - | - | - | - | | (17) |
| Share of results of associates | (499) | (263) | (12) | - | - | | (774) |
| Segment loss | (434) | (761) | (180) | (603) | (385) | | (2,363) |

Note : Nature of eliminations to arrive at amounts reported in the condensed interim financial statements is as follows:

- A. Inter-segment revenue are eliminated on consolidation.

Notes to the condensed interim financial statements (cont'd)

5.2. Disaggregation of revenue

Disaggregation of revenue by geographical location is based on the location of customers, except for site orders of booth accessories placed by customers for official trade shows, which are based on location of the shows.

| Segments | Group | | | | |
|------------------------------|--|---|------------------------------------|----------------------------------|--------------------------|
| | Half Year Ended 30 Jun 22 | | | | |
| | Exhibitions, Thematic and Attractions | Retail and Corporate Interiors | Research and Design | Alternative Marketing | Total Revenue |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Geographical location</u> | | | | | |
| South Asia * | 39,079 | 30,792 | 3,566 | 1,628 | 75,065 |
| North Asia ** | 10,327 | 25,663 | 1,240 | - | 37,230 |
| Middle East | 81 | 320 | 24 | - | 425 |
| United States and Canada | 257 | 7,298 | 47 | - | 7,602 |
| Europe | 745 | 18 | 831 | - | 1,594 |
| Others | 107 | 264 | 109 | - | 480 |
| | 50,596 | 64,355 | 5,817 | 1,628 | 122,396 |
| Segments | Group | | | | |
| | Half Year Ended 30 Jun 21 | | | | |
| | Exhibitions, Thematic and Attractions | Retail and Corporate Interiors | Research and Design | Alternative Marketing | Total Revenue |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Geographical location</u> | | | | | |
| South Asia * | 24,729 | 38,624 | 3,910 | 1,101 | 68,364 |
| North Asia ** | 19,705 | 20,770 | 1,794 | - | 42,269 |
| Middle East | 17 | 147 | 13 | - | 177 |
| United States and Canada | 1,071 | 4,029 | 70 | - | 5,170 |
| Europe | - | 36 | 174 | - | 210 |
| Others | 87 | 728 | 81 | - | 896 |
| | 45,609 | 64,334 | 6,042 | 1,101 | 117,086 |

* Included revenue of S\$50,432,000 (2021: S\$47,660,000) for Singapore

** Included revenue of S\$29,755,000 (2021: S\$31,582,000) for People's Republic of China

Majority of the revenue is recognised over time, and the balance, at a point in time.

Notes to the condensed interim financial statements (cont'd)

6. Other income

| | Group | |
|---|------------------------|------------------|
| | Half Year Ended | |
| | 30 Jun 22 | 30 Jun 21 |
| | S\$'000 | S\$'000 |
| Corporate fee income | 326 | 282 |
| Gain on disposal of assets classified as held for sale | - | 1,558 |
| Grants, subsidies and rebates | 427 | 2,722 |
| Net foreign exchange gain | 238 | - |
| Net gain on disposal of property, plant and equipment | - | 9 |
| Rental income | 810 | 638 |
| Write-back of impairment loss on doubtful trade receivables | 513 | 64 |
| Write-off of trade and other payables | 153 | - |
| Miscellaneous income | 59 | 64 |
| | <u>2,526</u> | <u>5,337</u> |

7. Loss before tax

The following items have been included in arriving at loss before tax:-

| | Group | |
|---|------------------------|------------------|
| | Half Year Ended | |
| | 30 Jun 22 | 30 Jun 21 |
| | S\$'000 | S\$'000 |
| Amortisation of intangible assets | 56 | 14 |
| Amortisation of land use rights | 135 | 135 |
| Depreciation of investment property | 9 | - |
| Depreciation of property, plant and equipment | 1,602 | 2,596 |
| Depreciation of right-of-use assets | 1,117 | 1,254 |
| Impairment loss on doubtful trade receivables | 158 | 1,465 |
| Loss on disposal of property, plant and equipment | 13 | - |
| Net foreign exchange loss | - | 81 |
| Property, plant and equipment written off | - | 17 |
| | <u>-</u> | <u>17</u> |

8. Income tax expense

The Group calculates the income tax expense/(credit) using the statutory tax rates that would be applicable to the expected total annual earnings/(losses). The major components of income tax expense are as follows:

| | Group | |
|--|------------------------|------------------|
| | Half Year Ended | |
| | 30 Jun 22 | 30 Jun 21 |
| | S\$'000 | S\$'000 |
| <u>Current tax expense</u> | | |
| Current year tax expense | 1,032 | 530 |
| Under provision in respect of prior year | 9 | 29 |
| | <u>1,041</u> | <u>559</u> |
| <u>Deferred tax income</u> | | |
| Deferred tax income | (516) | (434) |
| | <u>(516)</u> | <u>(434)</u> |
| Income tax expense | <u>525</u> | <u>125</u> |

Notes to the condensed interim financial statements (cont'd)

9. Loss per share

| | Group | |
|---|------------------------|------------------|
| | Half Year Ended | |
| | 30 Jun 22 | 30 Jun 21 |
| Net loss attributable to shareholders (S\$'000) | (1,549) | (1,709) |
| Weighted average number of ordinary shares in issue | 201,948,299 | 201,948,299 |
| Basic and diluted loss per share (S\$ cents) | (0.77) | (0.85) |

The basic and diluted loss per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2022 and 30 June 2021.

10. Dividends

No dividend has been paid for the half year ended 30 June 2022 (2021: S\$Nil).

11. Net asset value

| | Group | | Company | |
|---|------------------------|------------------------|------------------------|------------------------|
| | As at 30 Jun 22 | As at 31 Dec 21 | As at 30 Jun 22 | As at 31 Dec 21 |
| Net asset value, net of non-controlling interests (S\$'000) | 106,613 | 109,512 | 55,581 | 53,312 |
| Number of ordinary shares in issue, excluding treasury shares | 201,948,299 | 201,948,299 | 201,948,299 | 201,948,299 |
| Net asset value per ordinary share (S\$ cents) | 52.79 | 54.23 | 27.52 | 26.40 |

12. Property, plant and equipment

During the half year ended 30 June 2022, the Group acquired and disposed of property, plant and equipment amounting to S\$256,000 (2021: S\$378,000) and S\$34,000 (2021: S\$7,000) respectively.

13. Other investments

| | Group and Company | |
|---|--------------------------|------------------------|
| | As at 30 Jun 22 | As at 31 Dec 21 |
| | S\$'000 | S\$'000 |
| Equity instruments at fair value through other comprehensive income | | |
| - Quoted equity shares and warrants | 2,404 | 3,205 |
| - Unquoted equity shares | 38 | 38 |
| | <u>2,442</u> | <u>3,243</u> |

During the half year ended 30 June 2022, the Company made a partial disposal of the investment in quoted warrants, amounting to S\$241,000. Consequently, the net carrying amount of the Group's investment in quoted equity shares and warrants decreased from S\$3,205,000 to S\$2,964,000. The fair value (Level 1) of the Group's investment in quoted equity shares and warrants was determined to be S\$2,404,000 (2021: S\$3,205,000) based on the quoted market prices at the end of the reporting period/year. Hence, the Group recognised a change in fair value of S\$560,000 (2021: S\$2,120,000) in other comprehensive income for the half year ended 30 June 2022 (2021: financial year ended 31 December 2021).

Fair value information has not been disclosed for the Group's investment in unquoted equity shares that is carried at cost because the fair value (Level 3), which is not expected to be material to the Group, cannot be measured reliably. The carrying amount of the investment of S\$38,000 (2021: S\$38,000) is not material to the Group and the Group does not intend to dispose of this investment in the foreseeable future.

Notes to the condensed interim financial statements (cont'd)

14. Other financial liabilities

Other financial liabilities comprise of loans and borrowings and lease liabilities of S\$27,857,000 (2021: S\$28,801,000) and S\$7,802,000 (2021: S\$6,869,000) respectively.

Loans and borrowings comprise of bank loans, trust receipts and bank overdrafts and are secured by way of legal charges on the Group's 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.

| | Group | | Company | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| | As at 30 Jun 22 S\$'000 | As at 31 Dec 21 S\$'000 | As at 30 Jun 22 S\$'000 | As at 31 Dec 21 S\$'000 |
| <u>Secured loans and borrowings</u> | | | | |
| - repayable within one year or on demand | 10,431 | 10,111 | 1,308 | 1,322 |
| - repayable after one year | 17,426 | 18,690 | 14,051 | 14,687 |
| | <u>27,857</u> | <u>28,801</u> | <u>15,359</u> | <u>16,009</u> |
| <u>Unsecured loans and borrowings</u> | | | | |
| - repayable within one year or on demand | - | - | - | - |
| - repayable after one year | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Included in loans and borrowings are non-current loans and borrowings at fixed interest rate, of which the carrying amount is S\$2,417,000 (2021: S\$2,981,000). The fair value of the non-current loans and borrowings at fixed interest rate is determined to be S\$2,470,000 (2021: S\$3,059,000), which is estimated by discounting expected future cash flows at market incremental lending rate for similar types of arrangements.

15. Fair value measurement

The carrying amounts of financial assets and liabilities are as follows:

| | Group | | Company | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | As at 30 Jun 22 S\$'000 | As at 31 Dec 21 S\$'000 | As at 30 Jun 22 S\$'000 | As at 31 Dec 21 S\$'000 |
| <u>Financial assets</u> | | | | |
| Debt instruments at amortised cost | | | | |
| - Trade and other receivables | 55,722 | 74,300 | 4,477 | 1,376 |
| - Cash and cash equivalents | 72,382 | 81,534 | 6,695 | 7,365 |
| Equity instruments at fair value through other comprehensive income | | | | |
| - Quoted equity shares and warrants | 2,404 | 3,205 | 2,404 | 3,205 |
| - Unquoted equity shares | 38 | 38 | 38 | 38 |
| | <u>130,546</u> | <u>159,077</u> | <u>13,614</u> | <u>11,984</u> |
| <u>Financial liabilities</u> | | | | |
| Financial liabilities at amortised cost | | | | |
| - Trade and other payables | 85,182 | 92,772 | 1,856 | 2,545 |
| - Other financial liabilities | 35,659 | 35,670 | 15,368 | 16,019 |
| | <u>120,841</u> | <u>128,442</u> | <u>17,224</u> | <u>18,564</u> |

Notes to the condensed interim financial statements (cont'd)

15. Fair value measurement (cont'd)

The fair value measurements categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

The analyses of financial instruments that are measured subsequent to initial recognition at fair value are disclosed in the relevant notes to the condensed interim financial statements, where required. These include both the financial instruments stated at amortised cost and at fair value in the condensed interim statements of financial position. The carrying amounts of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amounts of current financial instruments are reasonable approximation of their fair values. The fair values of non-current financial instruments are not disclosed separately unless there are significant differences at the end of the reporting period/year.

16. Subsequent events

There are no known subsequent events which have led to adjustments to the condensed interim financial statements for the half year ended 30 June 2022.

Other information required by Appendix 7.2 of the Listing Manual

- 1(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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.

There were no changes in the Company's share capital for the half year ended 30 June 2022.

There were no outstanding convertibles issued by the Company as at 30 June 2022 and 30 June 2021.

There were no treasury shares held by the Company as at 30 June 2022 and 30 June 2021. There were no subsidiary holdings as at 30 June 2022 and 30 June 2021. 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 201,948,299 and 201,948,299 as at 30 June 2022 and 30 June 2021 were Nil% and Nil% respectively.

- 1(b) 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.

| | <u>Company</u> | |
|---|------------------------|------------------------|
| | <u>As at 30 Jun 22</u> | <u>As at 31 Dec 21</u> |
| Total number of issued shares excluding treasury shares | <u>201,948,299</u> | <u>201,948,299</u> |

- 1(c) 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 half year ended 30 June 2022.

- 1(d) 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 half year ended 30 June 2022.

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

The condensed interim financial statements for the half year ended 30 June 2022 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 modifications or emphasis of a matter).

Not applicable.

Other information required by Appendix 7.2 of the Listing Manual (cont'd)

- 4 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

This is not required for any audit issue that is a material uncertainty relating to going concern.

- (a) updates on the efforts taken to resolve each outstanding audit issue; and

Not applicable. The latest audited financial statements for the financial year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- (b) confirmation from the board of directors that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The latest audited financial statements for the financial year ended 31 December 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- 5 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

REVIEW OF FINANCIAL PERFORMANCE

Revenue

| | Group | | | |
|-------------------------------------|-----------------|----------------|--------------|-------|
| | Half Year Ended | | +/- | % |
| | 30 Jun 22 | 30 Jun 21 | | |
| | S\$'000 | S\$'000 | S\$'000 | |
| Exhibitions, Thematic & Attractions | 50,596 | 45,609 | 4,987 | 10.9% |
| Retail & Corporate Interiors | 64,355 | 64,334 | 21 | 0.0% |
| Research & Design | 5,817 | 6,042 | (225) | -3.7% |
| Alternative Marketing | 1,628 | 1,101 | 527 | 47.9% |
| | <u>122,396</u> | <u>117,086</u> | <u>5,310</u> | 4.5% |

For the half year ended 30 June 2022 ("1H 2022"), the Group recorded a revenue of S\$122.4 million, an increase of S\$5.3 million or 4.5% compared to S\$117.1 million for the previous corresponding half year ended 30 June 2021 ("1H 2021").

The Exhibitions, Thematic & Attractions division registered a revenue of S\$50.6 million in 1H 2022, an increase of S\$5.0 million or 10.9% from S\$45.6 million in 1H 2021. The increase in revenue was mainly due to the gradual return of physical trade shows, conferences and events as travel restrictions and social distancing requirements due to the COVID-19 pandemic eased.

The Retail & Corporate Interiors division recorded a revenue of S\$64.3 million in both 1H 2022 and 1H 2021. The division benefitted from opportunities that emerged as companies moved forward in their business plans to refresh or launch new concepts to stay relevant in the new environment. However, the execution of some projects was delayed due to ongoing disruption and restrictions.

The Research & Design division achieved a revenue of S\$5.8 million in 1H 2022, a decrease of S\$0.2 million or 3.7% from S\$6.0 million in 1H 2021. The division secured and delivered new design solutions to clients, which helped to mitigate the impact of projects that were put on hold.

The Alternative Marketing division registered a revenue of S\$1.6 million in 1H 2022, an increase of S\$0.5 million or 47.9% compared to S\$1.1 million in 1H 2021. The continuing return of face-to-face brand activation events and conferences enabled the division to secure and execute projects that contributed positively to its revenue.

Other information required by Appendix 7.2 of the Listing Manual (cont'd)

- (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)

Gross Profit

| | Group | | |
|---------------------|----------------------|----------------------|----------|
| | Half Year Ended | | +/- % |
| | 30 Jun 22 S\$'000 | 30 Jun 21 S\$'000 | |
| Revenue | 122,396 | 117,086 | 4.5% |
| Gross profit | 26,099 | 23,401 | 11.5% |
| Gross profit margin | 21.3% | 20.0% | |

Gross profit increased by S\$2.7 million or 11.5% to S\$26.1 million in 1H 2022, compared to S\$23.4 million in 1H 2021. This was a result of higher revenue and gross profit margin registered. Gross profit margin was higher at 21.3% in 1H 2022 compared to 20.0% in 1H 2021 mainly due to higher margin achieved for certain events and projects.

Other Items of Income

Interest income increased by S\$0.1 million or 44.4% from S\$0.1 million in 1H 2021 to S\$0.2 million in 1H 2022. The increase was mainly due to higher fixed deposit interest rates offered by banks.

Other income decreased by S\$2.8 million or 52.7% from S\$5.3 million in 1H 2021 to S\$2.5 million in 1H 2022. The decrease was mainly due to lower grants, subsidies and rebates (arising largely from the Jobs Support Scheme) of S\$2.3 million and an absence of the recognition of a gain on disposal of assets classified as held for sale of S\$1.6 million (which was completed during 1H 2021), and partially offset by higher write-back of impairment loss on doubtful trade receivables of S\$0.4 million and rental income of S\$0.2 million, and the recognition of net foreign exchange gain S\$0.2 million and write-off of long outstanding trade and other payables of S\$0.2 million.

Other Items of Expense

Depreciation of property, plant and equipment was S\$1.4 million in 1H 2022, a decrease of S\$0.2 million or 11.4% from S\$1.6 million in 1H 2021. The decrease was mainly due to fully depreciated assets, of which no further depreciation was recorded in 1H 2022.

Employee benefits expense increased by S\$1.5 million or 6.8% from S\$22.4 million in 1H 2021 to S\$23.9 million in 1H 2022. The increase was mainly due to salary adjustments effected in line with the market conditions.

Other expenses decreased by S\$1.6 million or 27.5% from S\$5.9 million in 1H 2021 to S\$4.3 million in 1H 2022. The decrease was mainly due to impairment loss recognised on doubtful trade receivables of S\$0.2 million in 1H 2022 compared to S\$1.5 million in 1H 2021. Excluding the impairment loss of S\$0.2 million (2021: S\$1.5 million), other expenses would have been S\$4.1 million in 1H 2022, a decrease of S\$0.3 million or 7.4% from S\$4.4 million in 1H 2021 mainly due to cost containment measures implemented.

Interest expense fell by S\$0.1 million or 12.4% from S\$0.5 million in 1H 2021 to S\$0.4 million in 1H 2022. The fall in interest expense was mainly due to a lower amount of loans and borrowings outstanding in 1H 2022 compared to 1H 2021.

Share of Result of Joint Venture

Share of loss of joint venture in 1H 2022 and 1H 2021 were not recognised as they exceed the Group's interest in the joint venture and the Group does not have any obligations in respect of these losses. As at 30 June 2022, the Group's cumulative share of the unrecognised losses was S\$0.8 million (2021: S\$0.3 million).

Share of Results of Associates

Share of losses of associates decreased by S\$0.7 million or 87.0% from S\$0.8 million in 1H 2021 to S\$0.1 million in 1H 2022. The decrease was mainly due to lower loss contribution from certain associates.

Other information required by Appendix 7.2 of the Listing Manual (cont'd)

- (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)

Income Tax Expense

Income tax expense increased by S\$0.4 million or 320.0% from S\$0.1 million in 1H 2021 to S\$0.5 million in 1H 2022. The increase was mainly due to the recognition of higher income tax payable by the profitable entities of the Group.

Loss Net of Tax Attributable to Equity Holders of the Company

Based on the above, loss net of tax attributable to equity holders of the Company decreased by S\$0.2 million or 9.4% from S\$1.7 million in 1H 2021 to S\$1.5 million in 1H 2022.

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

REVIEW OF FINANCIAL POSITION

Non-current Assets

Non-current assets amounted to S\$64.4 million as at 30 June 2022, representing a decrease of S\$0.9 million from S\$65.3 million as at 31 December 2021. The decrease was mainly due to lower property, plant and equipment, investments in associates and other investments of S\$1.7 million, S\$0.2 million and S\$0.8 million respectively, and partially offset by higher right-of-use assets and deferred tax assets of S\$1.4 million and S\$0.5 million respectively.

The decrease in property, plant and equipment was mainly due to the depreciation charge for 1H 2022, and partially offset by addition of assets during 1H 2022.

The decrease in investments in associates was mainly due to the equity accounting of the share of losses for 1H 2022.

The decrease in other investments was due to the partial disposal of the investment in quoted warrants during 1H 2022 and the recognition of a decline in the fair value of the investment in quoted equity shares and warrants based on quoted market prices as at 30 June 2022.

The increase in right-of-use assets was mainly due to the addition of assets during 1H 2022, and partially offset by depreciation charge for 1H 2022.

The increase in deferred tax assets was mainly due to the recognition arising out of tax losses for 1H 2022.

Current Assets

Current assets amounted to S\$175.4 million as at 30 June 2022, representing a decrease of S\$9.7 million from S\$185.1 million as at 31 December 2021. The decrease was mainly due to lower trade and other receivables and cash and cash equivalents of S\$18.6 million and S\$9.2 million respectively, and partially offset by higher contract assets and other assets of S\$17.2 million and S\$0.8 million respectively.

Trade and other receivables comprise of trade receivables and other receivables of S\$46.1 million (2021: S\$63.3 million) and S\$9.6 million (2021: S\$11.0 million) respectively. The decrease in trade receivables of S\$17.2 million was mainly due to collections made and the longer duration taken to approve the work performed and the subsequent invoicing to clients due to the pandemic. Other receivables comprise of loans receivable from associates and joint venture, staff advances and loans, deposits and miscellaneous receivables. The decrease in other receivables of S\$1.4 million was mainly due to lower loans receivable from associates and joint venture, deposits and miscellaneous receivables of S\$0.4 million, S\$0.5 million and S\$0.5 million respectively.

The decrease in cash and cash equivalents was mainly attributable to the cash outflows from operating, investing and financing activities.

The increase in contract assets was mainly due to the longer duration taken to approve the work performed and the subsequent invoicing to clients due to the pandemic.

The increase in other assets was mainly due to more prepayments made and is in line with the business activities during 1H 2022 due to the pandemic.

Other information required by Appendix 7.2 of the Listing Manual (cont'd)

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

Non-current Liabilities

Non-current liabilities amounted to S\$23.8 million as at 30 June 2022, representing a decrease of S\$1.1 million from S\$24.9 million as at 31 December 2021. The decrease was mainly due to lower other financial liabilities of S\$1.1 million.

Other financial liabilities comprise of loans and borrowings and lease liabilities of S\$17.4 million (2021: S\$18.7 million) and S\$4.9 million (2021: S\$4.7 million) respectively. The decrease in loans and borrowings of S\$1.3 million was due to amounts reclassified from non-current to current as they become due and repayable within the next 12 months from 30 June 2022. The increase in lease liabilities of S\$0.2 million was due to new lease liabilities taken out, and partially offset by amounts reclassified from non-current to current as they become due and repayable within the next 12 months from 30 June 2022.

Current Liabilities

Current liabilities amounted to S\$110.3 million as at 30 June 2022, representing a decrease of S\$6.2 million from S\$116.5 million as at 31 December 2021. The decrease was mainly due to lower trade and other payables and other liabilities of S\$7.6 million and S\$1.1 million respectively, and partially offset by higher contract liabilities and other financial liabilities of S\$1.6 million and S\$1.1 million respectively.

Trade and other payables comprise of trade payables and other payables of S\$71.7 million (2021: S\$75.4 million) and S\$12.3 million (2021: S\$16.2 million) respectively. The decrease in trade payables of S\$3.7 million was mainly due to the payments made, and is in line with the business activities during 1H 2022 due to the pandemic. Other payables comprise of provision for unutilised leave, accrued operating expenses, deposits and miscellaneous payables. The decrease in other payables of S\$3.9 million was mainly due to lower accrued operating expenses and miscellaneous payables of S\$3.2 million and S\$0.7 million respectively.

Other liabilities comprise of deferred income of S\$3.4 million (2021: S\$4.5 million) and the decrease was due to derecognition of amounts as the projects commenced and works are performed during 1H 2022.

The increase in contract liabilities was mainly due to advances received from clients for new projects, progress billings issued in excess of the right to payment and the longer duration taken to perform and complete the work due to the pandemic.

Other financial liabilities comprise of loans and borrowings and lease liabilities of S\$10.4 million (2021: S\$10.1 million) and S\$2.9 million (2021: S\$2.1 million) respectively. The increase in loans and borrowings of S\$0.3 million and lease liabilities of S\$0.8 million was due to new amounts taken out and amounts reclassified from non-current to current as they become due and repayable with the next 12 months from 30 June 2022, and partially offset by repayments of matured amounts.

REVIEW OF CASH FLOW POSITION

Net cash used in operating activities of S\$6.4 million in 1H 2022 arose mainly from loss before tax of S\$1.4 million and adjusted for a net increase in non-cash flow items of S\$2.2 million (largely from depreciation of property, plant and equipment, depreciation of right-of-use assets and write-back of impairment loss on doubtful trade receivables), cash outflow from a net increase in working capital requirements of S\$5.8 million (largely from movements in contract assets, trade and other receivables and trade and other payables) and income tax paid of S\$1.2 million.

Net cash used in investing activities of S\$0.2 million in 1H 2022 arose mainly from purchase of property, plant and equipment of S\$0.3 million.

Net cash used in financing activities of S\$2.6 million in 1H 2022 arose mainly from net repayment of loans and borrowings of S\$1.0 million and repayment of lease liabilities of S\$1.7 million.

Based on the above, the Group had a net decrease in cash and cash equivalents of S\$9.2 million in 1H 2022 and the cash and cash equivalents stood at S\$71.3 million as at 30 June 2022.

Other information required by Appendix 7.2 of the Listing Manual (cont'd)

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

The results for 1H 2022 are in line with the general prospect commentary previously disclosed in the announcement on 1 March 2022.

7 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 markets are returning and evolving, with more purpose driven, creative and experientially focused projects. This bodes well for the Group as it is squarely positioned at the apex of what the markets need and what it can create and deliver.

The exhibition and events business is seeing a return, with more shows back on the calendar and new ones being planned. Niche and branded pop-up, activation and engagement events, as well as sporting events have bounced back strongly and the Group is experiencing an increase in enquiries.

The thematic attractions market continues to be buoyant with a good pipeline and the team is busy managing and delivering multiple committed projects.

The Retail & Corporate Interiors division is encountering good enquiries and projects from existing and new clients across the region, as it moves to deliver new and exciting customer experiences and engagement platforms, especially in branded pop-up/experiential installations, and sectors such as F&B and corporate offices.

The Research & Design division is busy, fulfilling and meeting enquiries for new experiences and engagement concepts. The division will continue to enhance its creative capabilities as the market evolves, and to meet its clients' needs of the future.

The attractions industry continues to be impacted by modest international travel numbers but the Group sees this improving as there is good demand for activity and engagement platforms. The Group will continue its push of branded intellectual property concepts in the overseas markets, and develop and introduce new unique experiences.

Overall, the Group sees a growing return of clients and opportunities, amidst the current uncertainties and new challenges in the market. The Group will therefore focus on managing costs and operations tightly, while it continues its drive to enhance capabilities in creativity, ideas and experiential solutions that excite clients and meet the market's evolving needs.

As at 31 July 2022, the Group has secured contracts of S\$284 million, of which S\$247 million is expected to be recognised in FY2022.

8 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

Other information required by Appendix 7.2 of the Listing Manual (cont'd)

9 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the half year ended 30 June 2022 as the Group wishes to retain cash for its business operations.

10 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.

11 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 half year ended 30 June 2022 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

11 August 2022

12 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

11 August 2022