
RESPONSE TO SGX'S QUERIES ON FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2004 ("Full Year Results")

Further to the Company's announcement made on 25 February 2005 in relation to the Full Year Results and in reply to SGX's queries, the Company wishes to disclose the following statements in item 6 and item 9:-

Query:-

(a) As required in paragraph 6 of Appendix 7.2 of the Listing Manual, to disclose the earnings per ordinary share of the Group on a fully diluted basis for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Reply:-

	Year ended 31 Dec 04 Group	Period ended 31 Dec 03 Group
Net profit for the year/period attributable to ordinary shareholder for basic and diluted earnings per shares (S\$000)	1,414	1,528
Weighted average number of ordinary shares of S\$0.075 each in issue applicable to basic earnings per share (In thousands)	100,234	85,753
Effect of dilutive securities : Share options (Note A)	-	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share	100,234	85,753
Earnings per share based on weighted average number of ordinary shares in issue (cents)	1.41	1.78
Earnings per share on fully diluted basis (cents)	1.41	1.78

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding, after adjusting for the effects of dilutive potential ordinary shares, during the year.

Note A

The number of unissued shares under option granted under the Kingsmen Share Option Scheme and their exercise price are set out in Para 1(d)(ii)(a) of the Full Year Results announcement dated 25 February 2005. As the options vest one year after the grant date, there is no adjustment to the weighted average number of ordinary shares outstanding arising from dilutive potential ordinary shares during the year.

Query:-

(b) In paragraph 9, the Company reported that “The results are in line with that stated in our announcement dated 7 August 2004”. We note in the Company’s announcement dated 7 August 2004, the Company provided prospect statement “The Group is expected to report improved earnings this year, especially from the Exhibitions & Museum division’. To disclose why the Company believes that “The results are in line with that stated in our announcement dated 7 August 2004” when net profit for the year decreased by 7% over the previous year.

Reply:-

Our total sales for FY2004 of S\$63.3 million compared to S\$53.5 million in FY2003 is an increase of 18%. Further, our Exhibitions and Museums division sales for FY2004 of S\$29.14 million as compared to S\$21.43 million in FY2003 is an increase of 36%.

As compared with the first half of FY2004, net profit for the second half of FY2004 amounted to S\$997,000, an improvement of 139% over the first half of FY2004’s net profit of S\$417,000.

However, on an overall basis, net profit for the year decreased by 7% to S\$1.41 million in FY2004 as compared to S\$1.53 million in FY2003 due mainly to lower than expected gross margins achieved by the Singapore operations, higher operating expenses and bad debts expenses incurred.

Submitted by Soh Siak Poh Benedict, Group Managing Director on 02/03/2005 to the SGX