

UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2009
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group					
		Third Quarter Ended		+/- %	9 Months Ended		+/- %
		30 Sep 09 S\$'000	30 Sep 08 S\$'000		30 Sep 09 S\$'000	30 Sep 08 S\$'000	
Revenue		62,916	50,637	24.2%	151,613	128,061	18.4%
Cost of sales		(48,309)	(37,038)	30.4%	(111,634)	(90,363)	23.5%
Gross profit		14,607	13,599	7.4%	39,979	37,698	6.1%
Other items of income							
Interest income		14	33	-57.6%	69	91	-24.2%
Other income	(a)	613	1,060	-42.2%	2,435	2,147	13.4%
Other items of expense							
Depreciation of property, plant and equipment		(442)	(537)	-17.7%	(1,348)	(1,552)	-13.1%
Staff salaries and related expenses		(7,925)	(7,031)	12.7%	(22,644)	(19,819)	14.3%
Other expenses		(2,663)	(2,337)	13.9%	(7,074)	(6,671)	6.0%
Interest expense		(28)	(32)	-12.5%	(78)	(92)	-15.2%
Share of results of associates		(257)	89	n/m	(61)	129	n/m
Profit before tax	(b)	3,919	4,844	-19.1%	11,278	11,931	-5.5%
Income tax expense	(c)	(712)	(1,003)	-29.0%	(1,975)	(2,304)	-14.3%
Profit net of tax		3,207	3,841	-16.5%	9,303	9,627	-3.4%
Attributable to:							
Equity holders of the parent		3,074	3,402	-9.6%	8,965	8,849	1.3%
Minority interests		133	439	-69.7%	338	778	-56.6%
		3,207	3,841		9,303	9,627	

Consolidated statement of comprehensive income

	Group					
	Third Quarter Ended		+/- %	9 Months Ended		+/- %
	30 Sep 09 S\$'000	30 Sep 08 S\$'000		30 Sep 09 S\$'000	30 Sep 08 S\$'000	
Profit net of tax	3,207	3,841	-16.5%	9,303	9,627	-3.4%
Other comprehensive income:						
Foreign currency translation	(284)	395	n/m	(108)	(268)	-59.7%
Other comprehensive income for the period, net of tax	(284)	395		(108)	(268)	
Total comprehensive income for the period	2,923	4,236	-31.0%	9,195	9,359	-1.8%
Total comprehensive income attributable to:						
Equity holders of the parent	2,834	3,742	-24.3%	8,887	8,548	4.0%
Minority interests	89	494	-82.0%	308	811	-62.0%
	2,923	4,236		9,195	9,359	

Note :

n/m = not meaningful

Explanatory notes to income statement

(a) Other income comprises :

	Group			
	Third Quarter Ended		9 Months Ended	
	30 Sep 09	30 Sep 08	30 Sep 09	30 Sep 08
	S\$'000	S\$'000	S\$'000	S\$'000
Corporate fee income	38	14	375	275
Jobs Credit grant	194	-	552	-
Management fee income	(232)	(13)	-	275
Miscellaneous income	255	120	451	349
Net bad trade debt recovery	-	-	102	-
Net foreign exchange gain	-	228	-	-
Net gain on disposal of property, plant & equipment	1	451	11	444
Rental income	298	260	886	804
Net allowance for doubtful trade debts	59	-	58	-
	613	1,060	2,435	2,147

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

	Group			
	Third Quarter Ended		9 Months Ended	
	30 Sep 09	30 Sep 08	30 Sep 09	30 Sep 08
	S\$'000	S\$'000	S\$'000	S\$'000
Net allowance for doubtful trade debts	-	41	-	66
Amortisation of intangible assets	88	86	270	253
Net bad trade debts written off	11	10	-	5
Directors' remuneration (including fees)	1,872	1,859	5,463	5,492
Inventories recognised as an expense in cost of sales	21	119	82	259
Net foreign exchange loss	281	-	401	281
Operating lease expenses	803	754	2,371	2,154
Property, plant and equipment written off	15	7	15	10

(c) Included in income tax expense are over provision of income tax relating to prior years of S\$Nil for 3Q 2009 (3Q 2008: S\$12,000) and S\$64,000 for period ended 30 September 2009 (2008: S\$101,000) respectively.

1(b)(i)A balance sheet (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 Sep 09 S\$'000	As at 31 Dec 08 S\$'000	As at 30 Sep 09 S\$'000	As at 31 Dec 08 S\$'000
ASSETS					
Non-current assets					
Plant and equipment		9,636	12,154	212	234
Intangible assets	(d)	6,480	6,838	-	-
Investments in subsidiaries		-	-	16,265	16,082
Investments in associates		6,049	6,165	5,364	5,364
Other investments	(e)	805	1,857	805	805
Other receivables		66	88	-	-
		23,036	27,102	22,646	22,485
Current assets					
Inventories		50	35	-	-
Gross amount due from customers for contract work-in-progress	(f)	24,792	7,631	-	-
Trade receivables		39,426	41,001	840	1,592
Other receivables		6,084	5,173	1,332	1,057
Prepaid operating expenses		88	168	14	32
Amounts due from subsidiaries		-	-	709	745
Cash and cash equivalents	(g)	21,881	28,151	1,518	1,161
		92,321	82,159	4,413	4,587
Total assets		115,357	109,261	27,059	27,072
EQUITY AND LIABILITIES					
Current liabilities					
Gross amount due to customers for contract work-in-progress		3,820	2,906	-	-
Trade payables	(h)	22,116	28,748	18	380
Deferred income		2,544	3,182	-	-
Other payables and accruals	(i)	28,828	21,677	946	1,126
Amounts due to subsidiaries		-	-	719	2,324
Loans and borrowings	(j)	3,673	841	-	-
Income tax payable		4,700	4,917	441	478
		65,681	62,271	2,124	4,308
NET CURRENT ASSETS		26,640	19,888	2,289	279
Non-current liabilities					
Other payables		93	83	-	-
Loans and borrowings		335	597	-	-
Deferred tax liabilities		806	890	19	19
		1,234	1,570	19	19
Total liabilities		66,915	63,841	2,143	4,327
Net assets		48,442	45,420	24,916	22,745
Equity attributable to equity holders of the parent					
Share capital		23,266	23,266	23,266	23,266
Treasury shares		(1,850)	(1,850)	(1,850)	(1,850)
Retained earnings		25,139	21,855	3,500	1,329
Other reserves		(643)	(565)	-	-
		45,912	42,706	24,916	22,745
Minority interests		2,530	2,714	-	-
Total equity		48,442	45,420	24,916	22,745
Total equity and liabilities		115,357	109,261	27,059	27,072

Explanatory notes to balance sheet

(d) Intangible assets

	Group	
	As at 30 Sep 09 S\$'000	As at 31 Dec 08 S\$'000
Goodwill	6,474	6,552
Customer relationship intangible assets	<u>1,725</u>	<u>1,754</u>
	8,199	8,306
Less : Accumulated amortisation and impairment	<u>(1,719)</u>	<u>(1,468)</u>
Total	<u>6,480</u>	<u>6,838</u>

(e) Other investments

	Group		Company	
	As at 30 Sep 09 S\$'000	As at 31 Dec 08 S\$'000	As at 30 Sep 09 S\$'000	As at 31 Dec 08 S\$'000
Unquoted equity shares	805	805	805	805
Unquoted investment fund	<u>-</u>	<u>1,052</u>	<u>-</u>	<u>-</u>
Total	<u>805</u>	<u>1,857</u>	<u>805</u>	<u>805</u>

Unquoted investment fund which is based in the People's Republic of China, had been sold at a gain of S\$17,000 in Q1 2009.

(f) Gross amount due from customers for contract work-in-progress

Increase in gross amount due from customers for contract work-in-progress was mainly due to the few major projects undertaken at Universal Studios Singapore (USS).

(g) Cash and cash equivalents

	Group		Company	
	As at 30 Sep 09 S\$'000	As at 31 Dec 08 S\$'000	As at 30 Sep 09 S\$'000	As at 31 Dec 08 S\$'000
Cash at banks and in hand	15,888	24,347	483	127
Short-term deposits	<u>5,993</u>	<u>3,804</u>	<u>1,035</u>	<u>1,034</u>
Total	<u>21,881</u>	<u>28,151</u>	<u>1,518</u>	<u>1,161</u>

(h) Trade payables

There were substantial payment made to trade payables during the financial period.

(i) Other payables and accruals

Increase in accruals was mainly due to increase in projects related accruals for the few major projects undertaken at USS.

(j) Loans and borrowings

Included in loans and borrowings were short-term loans of S\$3 million utilised for operating purposes.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Sep 09		As at 31 Dec 08	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,673	-	841	-

Amount repayable after one year

As at 30 Sep 09		As at 31 Dec 08	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
335	-	597	-

Details of any collateral

Bank overdrafts are secured by fixed deposits pledged to the banks, by personal guarantees given by certain directors of the Company and its subsidiaries; corporate guarantee of the Company and its subsidiary in Malaysia.

Short-term loans are secured by corporate guarantees of the Company.

Finance lease obligations of the Group are secured by the rights to the leased equipment, machinery and motor vehicles.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Note	Group			
	Third Quarter Ended		9 Months Ended	
	30 Sep 09 S\$'000	30 Sep 08 S\$'000	30 Sep 09 S\$'000	30 Sep 08 S\$'000
Cash flows from operating activities				
Profit before tax	3,919	4,844	11,278	11,931
Adjustments for:				
Depreciation of property, plant and equipment	442	537	1,348	1,552
Depreciation of property, plant and equipment charged to cost of sales	1,912	1,912	1,912	1,912
Net gain on disposal of property, plant and equipment	(1)	(451)	(11)	(444)
Income from other investment	-	-	(17)	-
Property, plant & equipment written off	15	7	15	10
Bad trade debts written off	9	5	9	5
Net allowance for doubtful trade debts	(59)	41	(58)	66
Amortisation of intangible assets	88	86	270	253
Interest income	(14)	(33)	(69)	(91)
Interest expense	28	32	78	92
Share of results of associates	257	(89)	61	(129)
Currency realignment	47	351	(40)	34
Total adjustments	2,724	2,398	3,498	3,260
Operating cash flows before changes in working capital	6,643	7,242	14,776	15,191
Changes in working capital:				
(Increase)/decrease in trade and other receivables	(7,303)	(8,181)	815	4,578
(Increase)/decrease in inventories	(3)	(18)	(15)	73
Increase in contracts work-in-progress (net)	(6,672)	(2,847)	(16,885)	(5,207)
Increase/(decrease) in trade and other payables	9,283	3,139	469	(7,092)
Cash flows from/(used in) operations	1,948	(665)	(840)	7,543
Interest received	14	33	69	91
Interest paid	(28)	(32)	(78)	(92)
Income tax paid	(1,033)	(936)	(2,219)	(2,005)
Net cash flows from/(used in) operating activities	901	(1,600)	(3,068)	5,537
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	9	639	32	651
Purchase of property, plant and equipment	(238)	(148)	(664)	(1,204)
Acquisition of minority interest	(122)	-	(122)	-
Acquisition of additional preference shares in associates	-	-	-	(264)
Acquisition of other investment	-	-	-	(588)
Proceeds from disposal of other investment	-	-	1,144	1,175
Dividend received from associates	87	35	94	35
Net cash flows (used in)/from investing activities	(264)	526	484	(195)
Cash flows from financial activities				
(Increase)/decrease in amount pledged to banks for banking facilities	(539)	278	(532)	(44)
Proceeds from loans and borrowings	3,000	2,000	5,500	2,000
Purchase of treasury shares	-	(1,669)	-	(1,669)
Dividend paid on ordinary shares	(2,840)	(2,852)	(5,681)	(6,656)
Dividend paid to minority shareholders of the subsidiaries	-	(18)	(310)	(99)
Issuance of ordinary shares by placement	-	-	-	1,640
Share issue expense	-	(33)	-	(68)
Exercise of employee share options	-	-	-	66
Repayment of finance lease obligations	(159)	(194)	(558)	(554)
Repayment of long-term bank borrowings	-	(11)	(2,677)	(38)
Net cash flows used in financing activities	(538)	(2,499)	(4,258)	(5,422)
Net increase/(decrease) in cash and cash equivalents	99	(3,573)	(6,842)	(80)
Effect of exchange rate changes on cash and cash equivalents	(311)	(100)	(152)	215
Cash and cash equivalents at beginning of period	20,384	24,246	27,166	20,438
Cash and cash equivalents at end of period	(k) 20,172	20,573	20,172	20,573

Explanatory notes to cash flow statement

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

	Group	
	As at 30 Sep 09 S\$'000	As at 30 Sep 08 S\$'000
Cash and short term deposits	21,881	21,544
Bank overdrafts	(283)	(77)
	<u>21,598</u>	<u>21,467</u>
Amount pledged to banks for banking facilities	(1,426)	(894)
	<u>20,172</u>	<u>20,573</u>

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 parent						
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the parent, total S\$'000	Minority interests S\$'000	Equity, total S\$'000
As at 1 January 2008	21,603	-	14,335	(182)	35,756	1,639	37,395
Total comprehensive income/ (expense) for the period	-	-	5,447	(641)	4,806	317	5,123
Exercise of employee share options	66	-	-	-	66	-	66
Transfer of share option reserve to share capital	25	-	-	(25)	-	-	-
Issuance of ordinary shares	1,640	-	-	-	1,640	-	1,640
Share issue expense	(35)	-	-	-	(35)	-	(35)
Dividends on ordinary shares	-	-	(3,804)	-	(3,804)	-	(3,804)
Dividends paid to minority interests	-	-	-	-	-	(165)	(165)
As at 30 June 2008	23,299	-	15,978	(848)	38,429	1,791	40,220
Total comprehensive income for the period	-	-	3,402	340	3,742	494	4,236
Share issue expense	(33)	-	-	-	(33)	-	(33)
Purchase of treasury shares	-	(1,669)	-	-	(1,669)	-	(1,669)
Dividends on ordinary shares	-	-	(2,852)	-	(2,852)	-	(2,852)
Dividends paid to minority interests	-	-	-	-	-	(19)	(19)
As at 30 September 2008	23,266	(1,669)	16,528	(508)	37,617	2,266	39,883
As at 1 January 2009	23,266	(1,850)	21,855	(565)	42,706	2,714	45,420
Total comprehensive income for the period	-	-	5,891	162	6,053	219	6,272
Dividends on ordinary shares	-	-	(2,841)	-	(2,841)	-	(2,841)
Dividends paid to minority interests	-	-	-	-	-	(310)	(310)
As at 30 June 2009	23,266	(1,850)	24,905	(403)	45,918	2,623	48,541
Total comprehensive income/ (expense) for the period	-	-	3,074	(240)	2,834	89	2,923
Dividends on ordinary shares	-	-	(2,840)	-	(2,840)	-	(2,840)
Acquisition of Minority Interest	-	-	-	-	-	(182)	(182)
As at 30 September 2009	23,266	(1,850)	25,139	(643)	45,912	2,530	48,442

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 parent				
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
As at 1 January 2008	21,603	-	4,695	25	26,323
Total comprehensive income for the period	-	-	298	-	298
Exercise of employee share options	66	-	-	-	66
Transfer of share option reserve to share capital	25	-	-	(25)	-
Issuance of ordinary shares	1,640	-	-	-	1,640
Share issue expense	(35)	-	-	-	(35)
Dividends on ordinary shares	-	-	(3,804)	-	(3,804)
As at 30 June 2008	23,299	-	1,189	-	24,488
Total comprehensive income for the period	-	-	3,357	-	3,357
Share issue expense	(33)	-	-	-	(33)
Purchase of treasury shares	-	(1,669)	-	-	(1,669)
Dividends on ordinary shares	-	-	(2,852)	-	(2,852)
As at 30 September 2008	23,266	(1,669)	1,694	-	23,291
As at 1 January 2009	23,266	(1,850)	1,329	-	22,745
Total comprehensive income for the period	-	-	4,243	-	4,243
Dividends on ordinary shares	-	-	(2,841)	-	(2,841)
As at 30 June 2009	23,266	(1,850)	2,731	-	24,147
Total comprehensive income for the period	-	-	3,609	-	3,609
Dividends on ordinary shares	-	-	(2,840)	-	(2,840)
As at 30 September 2009	23,266	(1,850)	3,500	-	24,916

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares, excluding treasury shares 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.

Share capital and treasury shares

	Group and Company	
	30 Sep 09	31 Dec 08
	'000	'000
Issued and fully paid-up share capital:		
As at beginning of period / year	194,183	126,474
Exercise of employee share options	-	315
Issuance of ordinary shares by placement	-	4,000
Share split	-	63,394
	<hr/>	<hr/>
As at end of period / year	194,183	194,183
	<hr/>	<hr/>
No. of treasury shares as at end of period / year	(4,802)	(4,802)
	<hr/>	<hr/>

- 1(d) (iii) 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.

	30 Sep 09	31 Dec 08
Total number of issued shares (excluding treasury shares) ('000)	189,381	189,381

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

Not applicable.

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

The figures have neither been audited nor reviewed by the 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 Note 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the current period's financial statements as compared with those used in the audited financial statements for the year ended 31 December 2008.

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 and the Company have adopted the following new and revised FRSs that are effective for annual periods beginning on or after 1 January 2009:

FRS 1	- Presentation of Financial Statements (Revised)
FRS 23	- Amendment to FRS 23, Borrowing Costs
FRS 108	- Operating Segments

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies or any 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			
	Third Quarter Ended 30 Sep 09	30 Sep 08	9 Months Ended 30 Sep 09	30 Sep 08
Net profit for the period attributable to ordinary shareholders for basic and diluted earnings per share (S\$'000)	3,074	3,402	8,965	8,849
Weighted average number of ordinary shares in issue ('000)	189,381	190,449	189,381	190,209
Effect of dilutive securities : Share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per shares ('000)	189,381	190,449	189,381	190,209
Earnings per share based on weighted average number of ordinary shares in issue (cents)	1.62	1.79	4.73	4.65
Earnings per share on fully diluted basis (cents)	1.62	1.79	4.73	4.65

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares, excluding treasury shares, during the period.

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

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 Sep 09	As at 31 Dec 08	As at 30 Sep 09	As at 31 Dec 08
Net asset value, net of minority interest (S\$'000)	45,912	42,706	24,916	22,745
Number of ordinary shares, excluding treasury shares ('000)	189,381	189,381	189,381	189,381
Net asset value per share (cents)	<u>24.24</u>	<u>22.55</u>	<u>13.16</u>	<u>12.01</u>

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

The Group registered a revenue of S\$62.9 million for the current quarter, which is an increase of S\$12.3 million or 24.2% compared to S\$50.6 million for the same period last year. The Group's year-to-date ("YTD") revenue of S\$151.6 million was S\$23.5 million or 18.4% higher compared to S\$128.1 million for the same 9-month period last year. The increase was mainly due to better top-line performance from Exhibitions and Museums division.

The **Exhibitions and Museums** division has performed better in the current quarter with higher revenue of S\$37.5 million, which was S\$16.4 million or 77.7% above that of 3Q 2008. Contributor to 3Q 2009's revenue includes HK Asian Aerospace, Macao Science Center, Seoul Airshow and Sibos 2009. During this period, significant progress was made for the works undertaken for Universal Studios Singapore with more than S\$20 million of revenue earned in Q3 2009. The Group also successfully delivered the works for the F1 Singapore Grand Prix in September 2009. To date, this division achieved revenue of S\$83.9 million, which was S\$24.7 million or 41.7% increase compared to S\$59.2 million for the same period last year.

The **Interiors** division has continued to do well in Q3 2009 with revenue of S\$22.6 million. Contributor to 3Q 2009's revenue includes Burberry, FJ Benjamin, Harry Winston, Polo Ralph Lauren, RSH Singapore, Swarovski, Tag Heuer SA, Tiffany and The Hour Glass. To date, this division achieved revenue of S\$59.5 million, which is comparable to that of the same period last year.

Current quarter revenue and YTD revenue of S\$1.3 million and S\$3.6 million from the **Research and Design** division were about the same level as that of 3Q 2008. The **IMC** division posted revenue of S\$1.5 million in current quarter. The YTD revenue was S\$4.6 million, which was S\$0.6 million or 15.0% increase compared to S\$4.0 million in 3Q 2008.

Gross Profit

In line with higher revenue, our gross profit for current quarter and YTD 3Q 2009 increased by S\$1.0 million (7.4%) and S\$2.3 million (6.1%) to S\$14.6 million and S\$40.0 million respectively. However, overall gross profit margins declined due to the larger scale projects undertaken at Universal Studios Singapore which yielded good absolute gross profits but thinner margins.

Other Income

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

Other Items of Expenses

Compared to 3Q 2008, operating expenses for current quarter increased from S\$9.9 million to S\$11.0 million due to the following:-

- i) increase in staff salaries and related expenses of S\$0.9 million to S\$7.9 million;
- ii) net foreign exchange loss of S\$0.3 million in 3Q 2009, instead of foreign exchange gain of S\$0.2 million (included in other income) in 3Q 2008; and

the above increases are offset by:-

- iii) decrease in depreciation of property, plant and equipment of S\$0.1 million as a result of some plant & machinery being fully depreciated by the end of FY2008.

For YTD 3Q 2009, operating expenses increased from S\$28.0 million to S\$31.1 million due to the following:-

- i) increase in staff salaries and related expenses of S\$2.8 million to S\$22.6 million;
- ii) increase in operating lease expenses of S\$0.2 million to S\$2.4 million;
- iii) increase in net foreign exchange loss of S\$0.1 million to S\$0.4 million; and

and the above increases are offset by:-

- iv) decrease in depreciation of S\$0.2 million to S\$1.3 million.

Interest Income

This relates mainly to interest income derived from fixed deposits and bank balances with the banks.

Share of Results of Associates

Share of losses from associates in current quarter relates mainly to the losses incurred by Kingsmen Nikko Ltd and Kingsmen Middle East LLC. On a YTD basis, Enterprise Sports Group Pte Ltd and Kingsmen Korea Limited continue to contribute positive share of profits to the Group, while the other associates have reported some losses.

Net Profit after MI

The Group recorded a net profit after MI of S\$3.1 million for Q3 2009. On a YTD basis, the net profit after MI increased by 1.3% or S\$0.1 million to S\$9.0 million.

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

Net Assets (Exclude MI)

Net assets of the Group increased by S\$3.2 million from S\$42.7 million to S\$45.9 million. This was mainly contributed by the growth of the Group's business and the profits retained in the business after dividend distribution of S\$5.7 million to shareholders.

Intangible Assets

Please refer to Note 1(b)(i)(d) for the details of intangible assets. The decrease in intangible assets was due to amortization of S\$270,000, which was partially offset by translation difference.

Investment in Associates

This comprises the investments in Ascend Com Pte Ltd, Kingsmen Korea Limited, Kingsmen Nikko Limited, Kingsmen Middle East LLC and Enterprise Sports Group Pte Ltd and its subsidiaries.

Other Investments

Please refer to Note 1(b)(i)(e) for the details of other investments.

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

In our announcement on 13 August 2009, we stated that the Group expects to continue to do well in Year 2009. Our third quarter results are broadly in line with this statement.

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.

Despite the global economic downturn experienced in the last twelve months, the Group has been able to achieve growth continuously and at the same time, develops its core capabilities and skill sets, of which one of the major areas is thematic and scenic construction. With the gradual recovery of the global economy, exhibitions and MICE-related businesses are expected to improve, and in Singapore, this will be even more evident with the opening of the two IRs early next year.

By the end of this year, we would have completed some S\$76 million worth of contracts relating to Universal Studios Singapore, and for 2010, we expect to be involved in Phase 2 of the theme park. In the UAE, we will be working on the Observatory Exhibition in Burj Dubai and on several parcels of works for the Ferrari Theme Park in Abu Dhabi.

Preparation work has begun for the projects for the Shanghai World Expo which will begin in May 2010. We estimate that the our contracts will exceed S\$15 million for several pavillions.

On the local retail front, we are working on various shops and boutiques in 313 Somerset, the Mandarin Gallery and are expected to be heavily involved in the fitting-out of Marina Bay Sands Shoppes®. Regionally, we expect to fit-out numerous shops and boutiques for Tag Heuer and Swarovski under their roll-out plans.

As at 10 November 2009, our confirmed sales/contracts have risen to approximately S\$243 million, of which S\$219 million is expected to be recognized in FY2009. With the handover of our works for Universal Studios Singapore by the end of this year and the fast pace of activities for our interior fit-outs division before the festive season, Q4 2009 will be a stronger quarter for the Group. Therefore, we expect FY2009 to be another rewarding year for the Group, barring unforeseen circumstances.

11. 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) Books closure date

Not applicable.

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

Not applicable.

13. Pursuant to Rule 1207(16), please provide the information required by Rule 907 in respect of any interested person transactions entered into during the financial period.

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the financial period ended 30 September 2009.

14. Confirmation by the Board pursuant to Rule 705(4) of the listing manual.

We, Soh Siak Poh Benedict and Lee Hock Lye, being Directors of Kingsmen Creatives Ltd. ("the Company"), do hereby confirm, for and 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 which may render the unaudited interim financial results for the third quarter ended 30 September 2009 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Soh Siak Poh Benedict
Executive Chairman

Lee Hock Lye
Audit Committee Chairman

11 November 2009

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman
11 November 2009