

NEWS RELEASE

KINGSMEN REPORTS 1HFY11 NET PROFIT OF S\$5.9 MILLION

- Revenue falls 15.9% to S\$93.6 million
- Growth to be driven by exhibitions & museums, thematic & interiors works
- Proposes interim dividend of 1.5 Singapore cents per share

1HFY11 Results Highlights:

	1HFY11	1HFY10	Change
Turnover	S\$93.6m	S\$111.3m	- 15.9%
Gross profit	S\$27.8m	S\$30.1m	- 7.7%
Net profit	S\$5.9m	S\$6.9m	- 15.0%
Diluted EPS	3.08cents	3.64cents	- 15.4%

“Our first half numbers have been affected by slower business in the Exhibitions Division due to the absence of major projects such as the World Expo in 2010. We have thus rechanneled our efforts to broaden our business in this core segment, while maintaining a focus on deepening relationships and expanding our thematic, interiors, design and integrated marketing communication businesses. We expect to see a stronger second half, as the business in all our other divisions is performing well and the momentum continues to be strong. We are confident of our future and expect the next few years to be exciting as we continue to gear up to capture the many opportunities that are present in Asia.” said **Mr Benedict Soh, Executive Chairman of Kingsmen.**

Singapore, August 11, 2011 – Kingsmen Creatives Ltd (“Kingsmen”) (“金明创新”) and its subsidiaries (“the Group”), a leading communication design and production group in Asia Pacific and the Middle East, today announced a 15.0 % drop in interim net profit to S\$5.9 million for the six months ended June 30, 2011 (“1HFY11”). Group revenue fell 15.9% to S\$93.6 million in 1HFY11, from S\$111.3 million in the previous corresponding period.

Commenting on the Group’s performance, Mr Soh said: “We expected the first half to be challenging given the absence of any major exhibition projects this year. The performance is therefore well within our expectations. Despite these lower numbers in the first half, we are up-beat about our business growth as our other divisions continue to perform well. Our thematic and museums business is also expanding well and we are building up a strong order book. To better even-out major fluctuations in our exhibition business, we are implementing plans to broaden our base of customers, and the coverage of shows both regionally and in the international markets.”

The **Exhibitions and Museums division** recorded a revenue of S\$34.1 million in 1HFY11 compared to S\$56.6 million for the same period last year. Contributors to the division’s first half revenue included projects such as Art Stage 2011, Tax Free Asia Pacific 2011 and continuing jobs for Infiniti automobile shows in China and numerous other conventions. The division also completed the rebuilding of the Guangdong Pavilion at the Guangdong Science Centre and the upgrading of the URA Gallery. It is also currently working on several parcels of work for Universal Studios Singapore including the USS Parade, and works for HK Disneyland’s expansion which will stretch over these two years.

The **Interiors division** continued to perform well, recording a revenue of S\$52.6 million in 1HFY11, compared to S\$49.6 million recorded for the same period last year. Key contributors to the division’s 1HFY11 revenue include Aldo, Burberry, Fashion Retail, Fendi, Hinckley, Polo Ralph Lauren, Tiffany & Co. and Uniqlo. In addition, the team also completed two boutiques for Chanel in Singapore and Malaysia and rolled-out

boutiques and shops for Swarovski across Australia, Hong Kong, Korea, Japan, New Zealand, Singapore, Thailand and the Middle East.

The **Research and Design division** recorded a revenue of S\$3.4 million in 1HFY11, a 47.6% improvement over the S\$2.3 million recorded in 1HFY10. This growth was achieved through taking on more direct design services in addition to its offering of 'design & build' jobs. The Group's **IMC division** likewise continued to grow, recording a 27.7% growth in revenue to S\$3.5 million compared to S\$2.7 million achieved in 1HFY10.

Outlook for FY2011 and Beyond

The Group is confident of doing well in the second half of FY11, given the strong pipeline of contracts and demand for the Group's services. As at 10 August 2011, the Group has been awarded contracts of approximately S\$197 million, of which S\$178 million is expected to be recognised in FY2011.

Moving forward, the rise of Asia has spurred the birth of many opportunities in the region. Over the next three years, numerous theme parks have been planned in Korea, Malaysia, China and the Middle East. The Group is currently in various stages of negotiation with several theme park owners and is confident that with its experience and track record, is likely to secure several sizeable projects. The team is also currently working on a major project at Gardens by the Bay, to provide the interpretive media for both the outdoor and indoor garden. Likewise, the Group also sees strong potential for museum project works in the region. On the exhibition front, the Group continues its marketing efforts to broaden its base and increase its market share in exhibitions and events.

The Interiors division is expected to maintain its growth momentum as the retail and consumer market in Asia grows significantly. Over the next three to five years, global retailers are expected to embark on aggressive plans to establish themselves in the region. The Group is well poised to capitalize on this given its strong regional network and retail fit-out capabilities. In addition, the Group has also seen considerable success in its fixture roll-out business, retaining and establishing key accounts and programmes

for Aldo, Coach, Polo Ralph Lauren, Swarovski, Victoria's Secrets, and other brands, covering locations within Asia, US and Europe.

On the local retail front, the Group's contracts to fit out Abercrombie & Fitch's first flagship store in Asia outside of Japan, as well as H&M's first flagship store in South East Asia bear testament to the strong competitive position of the Group in the retail fit-out space. These two stores are scheduled for completion by the end of this year.

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

About Kingsmen Creatives Ltd.

Listed on the Main Board of the Singapore Exchange, Kingsmen is a leading communication design and production group in Asia Pacific and the Middle East. Established in 1976, its four business segments comprise Exhibitions & Museums, Retail & Corporate Interiors, Research & Design, and Integrated Marketing Communications.

Kingsmen offers a "one-stop-shop" solution through a vertical and horizontal integration of services, giving their clients the benefits of convenience and cost savings. Building on its design-led, quality and service-driven culture, the Group has established a visible brand name that is synonymous with creative and innovative solutions.

Together with its affiliates, Kingsmen has a regional network of 17 offices and full service facilities in Asia Pacific and the Middle East. The Group has a long-standing base of clients from diverse industries including well-known names such as BMW, Burberry, DBS Bank, Dickson Group, Esprit, FJ Benjamin, Gucci, Nokia, Robinsons Group (including John Little and Marks and Spencer), Tiffany and Wing Tai.

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For more information, please contact:

Andrew Cheng

Group General Manager

Kingsmen Creatives Ltd

DID: (65) 6880 0465

Fax: (65) 6880 0038

Email: andrewcheng@kingsmen-int.com

Victoria Narciso

Manager, Corporate Communications

Kingsmen Creatives Ltd

DID: (65) 6880 0029

Fax: (65) 6880 0038

Email: victoria@kingsmen-int.com