

**UNAUDITED RESULTS FOR FIRST QUARTER ENDED 31 MARCH 2014**
**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		Change %
		3 Months Ended		
		31 Mar 14 S\$'000	31 Mar 13 S\$'000	
<b>Revenue</b>		53,979	42,571	26.8%
Cost of sales		(39,317)	(29,497)	33.3%
<b>Gross profit</b>		14,662	13,074	12.1%
<b>Other items of income</b>				
Interest income		46	31	48.4%
Other income	(a)	1,131	1,155	-2.1%
<b>Other items of expense</b>				
Depreciation of property, plant and equipment		(477)	(391)	22.0%
Staff salaries and related expenses		(9,985)	(8,806)	13.4%
Other expenses		(4,781)	(2,961)	61.5%
Interest expense		(51)	(74)	-31.1%
<b>Share of results of associates</b>		514	445	15.5%
<b>Profit before tax</b>	(b)	1,059	2,473	-57.2%
Income tax expense	(c)	(114)	(470)	-75.7%
<b>Profit net of tax</b>		945	2,003	-52.8%
<b>Profit attributable to:</b>				
Owners of the Company		920	2,227	-58.7%
Non-controlling interests		25	(224)	n/m
		945	2,003	
<b><u>Consolidated statement of comprehensive income</u></b>				
<b>Profit net of tax</b>		945	2,003	-52.8%
<b>Other comprehensive income:</b>				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation		118	281	-58.0%
Total comprehensive income for the period		1,063	2,284	-53.5%
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		1,055	2,484	-57.5%
Non-controlling interests		8	(200)	n/m
		1,063	2,284	

Note

n/m = not meaningful

**Explanatory notes to income statement**

(a) Other income comprises :

	<b>Group</b>	
	<b>3 Months Ended</b>	
	<b>31 Mar 14</b>	<b>31 Mar 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Corporate fee income	269	246
Dividend income from other investment	-	182
Other service income	306	322
Net foreign exchange gain	36	-
Net gain on disposal of property, plant & equipment	40	-
Rental income	367	351
Miscellaneous income	113	54
	<b>1,131</b>	<b>1,155</b>

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

	<b>Group</b>	
	<b>3 Months Ended</b>	
	<b>31 Mar 14</b>	<b>31 Mar 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	13	-
Directors' remuneration	1,286	1,356
Inventories recognised as an expense in cost of sales	1,031	44
Net allowance for doubtful trade debts	-	39
Net foreign exchange loss	-	54
Operating lease expenses	896	1,015

(c) Included in income tax expense are under-provision of income tax relating to prior years of S\$Nil for period ended 31 March 2014 (2013: Under-provision S\$8,000).

**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 31 Mar 14 S\$'000	As at 31 Dec 13 S\$'000	As at 31 Mar 14 S\$'000	As at 31 Dec 13 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12,050	11,311	227	237
Intangible assets	7,416	4,939	-	-
Investments in subsidiaries	-	-	22,496	19,859
Investments in associates	8,093	9,415	4,012	6,067
Other investments	1,093	1,635	1,093	1,635
Other receivables	468	343	-	-
Deferred tax assets	333	338	-	-
	29,453	27,981	27,828	27,798
<b>Current assets</b>				
Inventories	2,427	1,561	-	-
Gross amount due from customers				
for contract work-in-progress	(d) 27,621	18,586	-	-
Trade and other receivables	(e) 78,963	95,561	2,578	3,600
Income tax recoverable	300	512	-	-
Amounts due from subsidiaries	-	-	1,550	531
Amounts due from associates	-	772	-	469
Prepaid operating expenses	1,356	803	4	29
Cash and short-term deposits	(f) 67,590	63,722	6,291	5,454
	178,257	181,517	10,423	10,083
<b>Total assets</b>	<b>207,710</b>	<b>209,498</b>	<b>38,251</b>	<b>37,881</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Gross amount due to customers				
for contract work-in-progress	(g) 14,750	6,299	-	-
Trade and other payables	(h) 85,236	98,041	1,493	1,528
Deferred income	4,882	2,870	-	-
Amounts due to associates	1,010	1,081	-	-
Loans and borrowings	3,402	2,800	-	-
Income tax payable	5,553	6,833	239	231
	114,833	117,924	1,732	1,759
<b>NET CURRENT ASSETS</b>	<b>63,424</b>	<b>63,593</b>	<b>8,691</b>	<b>8,324</b>
<b>Non-current liabilities</b>				
Other payables	438	119	-	-
Loans and borrowings	1,750	1,762	-	-
Deferred tax liabilities	423	421	28	28
	2,611	2,302	28	28
<b>Total liabilities</b>	<b>117,444</b>	<b>120,226</b>	<b>1,760</b>	<b>1,787</b>
<b>Net assets</b>	<b>90,266</b>	<b>89,272</b>	<b>36,491</b>	<b>36,094</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	23,266	23,266	23,266	23,266
Treasury shares	(157)	(334)	(157)	(334)
Retained earnings	66,105	65,601	11,783	11,808
Other reserves	(2,628)	(3,008)	1,599	1,354
	86,586	85,525	36,491	36,094
<b>Non-controlling interests</b>	<b>3,680</b>	<b>3,747</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>90,266</b>	<b>89,272</b>	<b>36,491</b>	<b>36,094</b>
<b>Total equity and liabilities</b>	<b>207,710</b>	<b>209,498</b>	<b>38,251</b>	<b>37,881</b>

**Explanatory notes to balance sheet**

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

Included in gross amount due from customers for contract work-in-progress mainly related to interior fit-out projects and various thematic works across Asia.

(e) **Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Trade receivables	69,650	90,124	1,433	1,397
Other receivables	9,313	5,437	1,145	2,203
<b>Total</b>	<b>78,963</b>	<b>95,561</b>	<b>2,578</b>	<b>3,600</b>

(f) **Cash and short-term deposits**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash at banks and in hand	50,312	48,192	4,711	3,874
Short-term deposits	17,278	15,530	1,580	1,580
<b>Total</b>	<b>67,590</b>	<b>63,722</b>	<b>6,291</b>	<b>5,454</b>

(g) **Gross amount due to customers for contract work-in-progress**

Gross amount due to customers for contract work-in-progress mainly relates to progress billings for interior fit-out projects and various thematic works across Asia.

(h) **Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Trade payables	48,989	64,396	-	-
Accrued project costs	11,468	14,267	-	-
Other payables and accruals	24,779	19,378	1,493	1,528
<b>Total</b>	<b>85,236</b>	<b>98,041</b>	<b>1,493</b>	<b>1,528</b>

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

	<b>Group</b>	
	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Secured</u></b>		
- repayable within one year	3,402	2,800
- repayable after one year	1,750	1,762
	<hr/>	<hr/>
	5,152	4,562
	<hr/>	<hr/>
<b><u>Unsecured</u></b>		
- repayable within one year	-	-
- repayable after one year	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**Details of any collateral**

Bank term loans are secured by way of a first legal charge on the Group's two factory units in Selangor, Malaysia, corporate guarantees of the Company and its subsidiaries in Malaysia and personal guarantees given by certain directors of its subsidiaries.

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

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	
	3 Months Ended	
	31 Mar 14	31 Mar 13
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	1,059	2,473
Adjustments for:		
Depreciation of property, plant and equipment charged to operation expenses	477	391
Net gain on disposal of property, plant and equipment	(40)	-
Net allowance for doubtful trade debts (written back)/provided	(4)	39
Amortisation of intangible assets	13	-
Interest income	(46)	(31)
Interest expense	51	74
Dividend income from other investment	-	(182)
Share of results of associates	(514)	(445)
Currency realignment	(172)	233
Total adjustments	(235)	79
<b>Operating cash flows before changes in working capital</b>	824	2,552
Changes in working capital:		
Decrease in trade and other receivables	19,413	18,068
Increase in inventories	(223)	-
Increase in gross amount due from customers for contract work-in-progress	(8,977)	(6,168)
Increase in gross amount due to customers for contract work-in-progress	8,451	7,461
Increase/(decrease) in deferred income	2,012	(768)
Decrease in trade and other payables	(17,734)	(19,688)
<b>Cash flows from operations</b>	3,766	1,457
Interest received	46	31
Interest paid	(51)	(74)
Income tax paid	(1,329)	(919)
<b>Net cash flows generated from operating activities</b>	2,432	495
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	49	-
Purchase of property, plant and equipment	(878)	(214)
Acquisition of additional shares in associates	(40)	-
Capital contribution by non-controlling interests in newly set-up subsidiary	-	90
Cash acquired from re-measurement of ownership interest in subsidiary	1,805	-
Dividend received from other investment	-	182
<b>Net cash flows generated from investing activities</b>	936	58
<b>Cash flows from financial activities</b>		
Proceeds from draw down of loans and borrowings	1,581	445
Repayment of finance lease obligations	(15)	(20)
Repayment of long-term bank borrowings	(988)	(759)
<b>Net cash flows generated from/(used in) financing activities</b>	578	(334)
<b>Net increase in cash and cash equivalents</b>	3,946	219
Effect of exchange rate changes on cash and cash equivalents	(76)	340
Cash and cash equivalents at beginning of period	62,160	51,578
<b>Cash and cash equivalents at end of period</b>	<b>66,030</b>	<b>52,137</b>

(i)

**Explanatory notes to cash flow statement**

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

	<b>Group</b>	
	<b>31 Mar 14</b>	<b>31 Mar 13</b>
	S\$'000	S\$'000
Cash and short-term deposits	67,590	53,640
Bank overdrafts	-	-
	<hr/>	<hr/>
Amount pledged to banks for banking facilities	67,590 (1,560)	53,640 (1,503)
	<hr/>	<hr/>
Cash and cash equivalents	<hr/> <b>66,030</b>	<hr/> <b>52,137</b>

- 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 owners of the Company						Equity, total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to owners of the Company, total S\$'000	Non- controlling interests S\$'000	
<b>Opening balance at 1 January 2014</b>	<b>23,266</b>	<b>(334)</b>	<b>65,601</b>	<b>(3,008)</b>	<b>85,525</b>	<b>3,747</b>	<b>89,272</b>
Profit for the period	-	-	920	-	920	25	945
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	135	135	(17)	118
Other comprehensive income for the period, net of tax	-	-	-	135	135	(17)	118
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>920</b>	<b>135</b>	<b>1,055</b>	<b>8</b>	<b>1,063</b>
<u>Contributions by and distributions to owners</u>							
Treasury shares reissued pursuant to performance share scheme	-	177	-	245	422	-	422
Total contribution by and distributions to owners	-	177	-	245	422	-	422
<u>Changes in ownership interest in subsidiaries</u>							
Contribution into a subsidiary by a non wholly-owned subsidiary attributable to non-controlling interests	-	-	-	-	-	6	6
Changes in ownership interest in subsidiaries due to re-measurement	-	-	(416)	-	(416)	(81)	(497)
Total changes in ownership interest in subsidiaries	-	-	(416)	-	(416)	(75)	(491)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>177</b>	<b>(416)</b>	<b>245</b>	<b>6</b>	<b>(75)</b>	<b>(69)</b>
<b>Closing balance at 31 March 2014</b>	<b>23,266</b>	<b>(157)</b>	<b>66,105</b>	<b>(2,628)</b>	<b>86,586</b>	<b>3,680</b>	<b>90,266</b>



Group	Attributable to owners of the Company						
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000 (Restated)	Other reserves S\$'000	Equity attributable to owners of the Company, total S\$'000 (Restated)	Non-controlling interests S\$'000	Equity, total S\$'000 (Restated)
<b>Opening balance at 1 January 2013</b>	<b>23,266</b>	<b>(978)</b>	<b>55,582</b>	<b>(4,022)</b>	<b>73,848</b>	<b>2,980</b>	<b>76,828</b>
Profit for the period	-	-	2,227	-	2,227	(224)	2,003
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	257	257	24	281
Other comprehensive income for the period, net of tax	-	-	-	257	257	24	281
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,227</b>	<b>257</b>	<b>2,484</b>	<b>(200)</b>	<b>2,284</b>
<u>Contributions by and distributions to owners</u>							
Treasury shares reissued pursuant to performance share scheme	-	171	-	212	383	-	383
Total contribution by and distributions to owners	-	171	-	212	383	-	383
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>							
Capital contribution by non-controlling interests in a newly set-up subsidiary	-	-	-	-	-	90	90
Total changes in ownership interests in subsidiaries	-	-	-	-	-	90	90
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>171</b>	<b>-</b>	<b>212</b>	<b>383</b>	<b>90</b>	<b>473</b>
<b>Closing balance at 31 March 2013</b>	<b>23,266</b>	<b>(807)</b>	<b>57,809</b>	<b>(3,553)</b>	<b>76,715</b>	<b>2,870</b>	<b>79,585</b>

Company	Attributable to owners of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
<b>Opening balance at 1 January 2014</b>	<b>23,266</b>	<b>(334)</b>	<b>11,808</b>	<b>1,354</b>	<b>36,094</b>
Loss for the period	-	-	(25)	-	(25)
Other comprehensive income for the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>-</b>	<b>(25)</b>
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to performance share scheme	-	177	-	245	422
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>177</b>	<b>-</b>	<b>245</b>	<b>422</b>
<b>Closing balance at 31 March 2014</b>	<b>23,266</b>	<b>(157)</b>	<b>11,783</b>	<b>1,599</b>	<b>36,491</b>
<b>Opening balance at 1 January 2013</b>	<b>23,266</b>	<b>(978)</b>	<b>10,689</b>	<b>518</b>	<b>33,495</b>
Profit for the period	-	-	309	-	309
Other comprehensive income for the period, net of tax	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>309</b>	<b>-</b>	<b>309</b>
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to performance share scheme	-	171	-	212	383
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>171</b>	<b>-</b>	<b>212</b>	<b>383</b>
<b>Closing balance at 31 March 2013</b>	<b>23,266</b>	<b>(807)</b>	<b>10,998</b>	<b>730</b>	<b>34,187</b>

- 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**

	<b>Group and Company</b>	
	<b>31 Mar 14</b>	<b>31 Dec 13</b>
	'000	'000
Issued and fully paid-up share capital:		
As at beginning and end of period / year	194,183	194,183
Treasury shares:		
As at beginning of period / year	(866)	(2,537)
Treasury shares reissued pursuant to:		
- performance share scheme	459	1,671
As at end of period / year	(407)	(866)

There was no outstanding options or convertibles as at 31 Mar 14 (31 Dec 13: Nil).

- 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.**

	<b>Group and Company</b>	
	<b>31 Mar 14</b>	<b>31 Dec 13</b>
	'000	'000
Total number of issued shares (excluding treasury shares)	193,776	193,317

- 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.**

	<b>Group and Company</b>			
	<b>31 Mar 14</b>		<b>31 Dec 13</b>	
	<b>No. of shares</b>		<b>No. of shares</b>	
	'000	S\$'000	'000	S\$'000
As at beginning of period / year	(866)	(334)	(2,537)	(978)
Treasury shares reissued pursuant to:				
- performance share scheme	459	177	1,671	644
As at end of period / year	(407)	(157)	(866)	(334)

**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.**

The Group and the Company have applied the same accounting policies and methods of computation in the current year's financial statements as compared with those used in the audited financial statements for the year ended 31 December 2013.

**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.**

Not applicable.

**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.**

	<b>Group</b>	
	<b>3 Months Ended</b>	
	<b>31 Mar 14</b>	<b>31 Mar 13</b>
Net profit for the period attributable to ordinary shareholders for basic and diluted earnings per share (S\$'000)	920	2,227
Weighted average number of ordinary shares in issue ('000)	193,419	191,671
Adjusted weighted average number of ordinary shares applicable to diluted earnings per shares ('000)	193,419	191,671
Earnings per share based on weighted average number of ordinary shares in issue (cents)	0.48	1.16
Earnings per share on fully diluted basis (cents)	0.48	1.16

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.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>	<b>As at 31 Mar 14</b>	<b>As at 31 Dec 13</b>
Net asset value, net of non-controlling interests (S\$'000)	86,586	85,525	36,491	36,094
Number of ordinary shares, excluding treasury shares ('000)	193,776	193,317	193,776	193,317
Net asset value per share (cents)	<u>44.68</u>	<u>44.24</u>	<u>18.83</u>	<u>18.67</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**

	<b>Group</b>					
	<b>31 Mar 14</b>		<b>3 Months Ended 31 Mar 13</b>		<b>Change</b>	
	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>						
Exhibitions & Museums	21,205	39.4%	20,622	48.5%	583	2.8%
Retail & Corporate Interiors	27,655	51.2%	18,527	43.5%	9,128	49.3%
Research & Design	2,078	3.8%	2,516	5.9%	(438)	-17.4%
Alternative Marketing	3,041	5.6%	906	2.1%	2,135	235.7%
	<u>53,979</u>	<u>100.0%</u>	<u>42,571</u>	<u>100.0%</u>	<u>11,408</u>	

For the first quarter ended 31 March 2014 ("1Q 2014"), the Group recorded revenue of S\$54.0 million compared to S\$42.6 million recorded in the corresponding period in 2013 ("1Q 2013"). The increase in revenue was mainly due to higher revenue recorded for the Exhibition & Museums division, Retail & Corporate Interiors division and Alternative Marketing division.

The **Exhibitions & Museums division** posted revenue of S\$21.2 million in 1Q 2014 compared with S\$20.6 million in 1Q 2013. Contributions to 1Q 2014's revenue for the division included Children Science Centre Singapore and exhibition projects undertaken for events such as Art Stage Singapore 2014 and Singapore Airshow 2014. The 1Q 2014 revenue from this division also included a significant portion of China thematic projects which will be completed before end of 2015.

The **Retail & Corporate Interiors division** continues to perform well in 1Q 2014, with a significant increase in revenue of S\$9.1 million or 49.3% to S\$27.7 million. Key contributors to the division's revenue in 1Q 2014 included customers and brand names such as Abercrombie & Fitch, Tiffany & Co., Karl Lagerfeld, Fendi, Bonhams, Nespresso and Lotte Group.

Revenue from **Research & Design division** decreased from S\$2.5 million for 1Q 2013 to S\$2.1 million for 1Q 2014. Key accounts which contributed to the revenue in 1Q 2014 include customers and brand names such as Burberry, SKIL and Gucci.

1Q 2014 revenue recorded from **Alternative Marketing division** increased by S\$2.1 million to S\$3.0 million. The increased growth in revenue was achieved with the completion of events for key clients such as BMW, OCBC and Starhub.

### **Gross Profit**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31 Mar 14</b>	<b>31 Mar 13</b>	<b>Change</b>
	S\$'000	S\$'000	%
Revenue	53,979	42,571	26.8%
Gross profit	14,662	13,074	12.1%
<b>GP Margin</b>	<b>27.2%</b>	<b>30.7%</b>	

1Q 2014 gross profit increased by S\$1.6 million or 12.1% to S\$14.7 million. Overall gross profit margin decreased from 30.7% in 1Q 2013 to 27.2%.

### **Other Items of Income**

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

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

### **Other Items of Expenses**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31 Mar 14</b>	<b>31 Mar 13</b>	<b>Change</b>
	S\$'000	S\$'000	%
<b>Other items of expense</b>			
Depreciation of property, plant and equipment	477	391	22.0%
Staff salaries and related expenses	9,985	8,806	13.4%
Other expenses	4,781	2,961	61.5%
Interest expense	51	74	-31.1%
	<b>15,294</b>	<b>12,232</b>	<b>25.0%</b>

Operating expenses increased from S\$12.2 million for 1Q 2013 to S\$15.3 million for 1Q 2014. The significant increase in operating expenses was mainly due to one-off provision of S\$1.5 million for costs and damages in relation to a law suit in China as announced by the Company on 26 April 2014. The increase in staff salaries and related expenses was mainly due to higher staff salaries and additional headcount.

### **Share of Results of Associates**

1Q 2014's share of results of associates increased by 15.5% from S\$445,000 in 1Q 2013 to S\$514,000.

### **Profit attributable to Owners of the Company**

1Q 2014 profit attributable to owners of the Company decreased by 58.7% from S\$2.2 million in Q1 2013 to S\$0.9 million which was due to the one-off provision for costs and damages for the legal suit in China in 1Q 2014.

- (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 (Net of Non-controlling Interests)**

Net assets of the Group increased by S\$1.1 million from S\$85.5 million to S\$86.6 million and was mainly contributed by the profit retained in the Group.

- 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 27 February 2014, we stated that we expect FY2014 to be a good year for the Group. Our first quarter results, despite being lower than that of the first quarter of last year, are in line with the Group's overall expectation for the year.

- 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.**

The Group's Exhibitions & Museums division has successfully completed a few major events such as Singapore Airshow and Art Stage in early 2014. The Group expects 2014 to be a good year for Exhibitions & Museums division as the region continues its economic growth. The museum and thematic business likewise is expected to do well, given the various thematic projects already secured to date.

Our Retail & Corporate Interiors division is expected to maintain its momentum, as new malls emerge across the region, and as brands introduce new ways to engage their customers through brand extension and revival programs. This coupled with the continued entry of international brands into the region and the strong demand for our services from existing key accounts.

As at 13<sup>th</sup> May 2014, the Group has secured contracts of approximately S\$201 million, of which S\$179 million is expected to be recognized in FY2014. With the strong pipeline of contracts and planned developments in the region, we are confident that we will do well in FY2014, 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/recommendeded, a statement to that effect.**

No interim dividend has been declared or recommended in the current reporting period.



**13. Pursuant to Rule 1207(17), please provide the information required by Rule 907 in respect of any interested person transactions entered into during the financial period.**

No interested person transaction mandate has been obtained from the shareholders of the Company. 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 31 March 2014.

**14. Confirmation by the Board pursuant to Rule 705(5) of the listing manual.**

We, Soh Siak Poh Benedict and Simon Ong Chin Sim, 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 first quarter ended 31 March 2014 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Soh Siak Poh Benedict  
Executive Chairman

Simon Ong Chin Sim  
Group Managing Director

14 May 2014

**BY ORDER OF THE BOARD**

Soh Siak Poh Benedict  
Executive Chairman  
14 May 2014