

NEWS RELEASE

KINGSMEN REPORTS 1H 2015 NET PROFIT OF S\$3.9 MILLION

- Revenue decreases 1.6% to S\$134.8 million
- Business driven by Exhibitions & Museums division
- Expects robust second half, given pipeline of projects secured
- Proposes interim dividend of 1.0 Singapore cent per share

1H 2015 Results Highlights

	1H 2015	1H 2014	Change
Turnover	S\$134.8m	S\$136.9m	-1.6%
Gross profit	S\$34.8m	S\$36.1m	-3.6%
Net profit	S\$3.9m	S\$6.2m	-38.1%
EPS	1.98 cents	3.21 cents	-38.3%

“Our first half numbers have been affected by slow demand for interior design and fit-out services in the high-end luxury retail segment due to strong overbuild in the preceding periods and slow consumer demand. We have therefore channelled our efforts toward expanding our presence in other retail segments, while maintaining our focus on growing our presence for key accounts. Our Exhibitions & Museums division continues to do well buoyed by the growing demand for face-to-face lifestyle events and museum/thematic works in the region. We expect to see a better second half, as our teams are busy fulfilling secured contracts. We will continue to improve our processes and capabilities to enable us to remain at the forefront of the industry and play a role in the many exciting opportunities that are present in Asia and beyond.” said **Mr Benedict Soh, Executive Chairman of Kingsmen.**

Singapore, August 13, 2015 – 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 an interim net profit of S\$3.9 million for the six months ended June 30, 2015 (“1H 2015”), a 38.1% decrease from the previous corresponding period (“1H 2014”). Group turnover decreased 1.6% to S\$134.8 million in 1H 2015, from S\$136.9 million in 1H 2014.

Commenting on the Group’s performance, Mr Soh said: “The drop in net profit for the first half was largely a result of lower gross profit margins, higher operating expenses mainly due to higher headcount and increased average wage, and higher depreciation charges and interest expenses resulting from the new factory unit in Malaysia. Moving forward, we intend to continue to strengthen our capabilities, focus our efforts on enlarging our pool of key accounts, and explore new synergistic businesses that will enable us to enhance our service offerings to clients.”

The **Exhibitions and Museums division** performed well in 1H 2015, posting a 38.2% increase in revenue to S\$68.5 million. The key contributors to the division’s revenue were from major projects such as the 28th SEA Games in Singapore, TFWA Asia Pacific Exhibition & Conference 2015, King Abdulaziz Center for World Culture, KidZania Singapore, Lee Kong Chian Natural History Museum, National Museum of Singapore, Art Stage Singapore 2015, Qatar Motor Show 2015, and thematic projects in China.

The **Retail & Corporate Interiors division** recorded revenue of S\$56.6 million in 1H 2015, a 26.5% decrease from S\$77.0 million in 1H 2014. The decrease was due to soft demand for interior design and fit-out services from the high-end luxury retail segment. The division, however, continues to see good demand for its services from the affordable luxury and travel retail segments. Key accounts for this division include Aldo, Michael Kors, Shilla Travel Retail, and Tiffany & Co.

The Group’s **Research & Design division** achieved revenue of S\$6.5 million in 1H 2015, an increase of 15.7% compared to S\$5.6 million for the same period last year. The division’s revenue was primarily driven by works for brand names and clients such as BMW, Burberry, Changi Airport Group, Michael Kors, Procter & Gamble Co. and Valentino, and thematic attractions in the region.

The **Alternative Marketing division** registered lower revenue of S\$3.2 million in 1H 2015, compared to S\$4.7 million in 1H 2014. The key contributors to the division's revenue were from projects for clients such as BMW, Jurong Health and StarHub.

Outlook for 2015 and Beyond

The Group expects the second half of the year to be better, given the strong pipeline of contracts and demand for the Group's services. As at 31 July 2015, the Group has secured contracts of approximately S\$262 million, of which approximately S\$240 million is expected to be recognised in FY2015. Barring unforeseen circumstances, the Group expects FY2015 to be a reasonably good year.

The **Exhibitions & Museums** division is expected to continue its good performance, given the growth of the exhibitions & thematic business in the region. Coupled with the line-up of contracts already secured, the division expects to do well in FY2015.

The Group's **Retail & Corporate Interiors** division will focus on expanding its presence in the affordable luxury and fast fashion brands segment, while continuing to secure new international brands coming into Asia. These measures, together with the upsurge in travel retail, will provide new business opportunities and market segments for the division.

In line with the Group's policy of distributing its profits to reward loyal shareholders, the Board is recommending an interim dividend of 1.0 Singapore cent 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. Established in 1976, the Group has a network of 18 offices and full service facilities serving global clients in Exhibitions & Museums, Retail & Corporate Interiors, Research & Design, and Alternative Marketing today.

Kingsmen's seamless end-to-end solutions, through its vertically and horizontally integrated service offerings, coupled with its network of offices and partners, provide clients the benefits of flexibility, speed and value. Building on its design-led, quality and service-driven culture, the Group has established a reputation and visible brand that is synonymous with creative and innovative solutions.

The Group serves a long-standing base of clients from diverse industries including well-known names such as BMW, Burberry, Chanel, DBS, FJ Benjamin Group, Gucci, Hong Kong Disneyland, LVMH Group, Ralph Lauren, Resorts World Sentosa, Robinsons Group, TAG Heuer, Tiffany & Co., Universal Studios and Wing Tai Asia.

-- END --

For more information, please contact:

Andrew Cheng
Group Chief Operating Officer
Kingsmen Creatives Ltd
DID: (65) 688 004 65
Fax: (65) 688 000 38
Email: andrewcheng@kingsmen-int.com

Charlene Sng
Manager, Corporate Communications
Kingsmen Creatives Ltd
DID: (65) 683 113 46
Fax: (65) 688 000 38
Email: charlenesng@kingsmen-int.com