

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2017
PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	Note	Group		Change %
		First Quarter Ended		
		31 Mar 17 S\$'000	31 Mar 16 S\$'000	
Revenue		66,195	61,449	7.7%
Cost of sales		(50,644)	(48,061)	5.4%
Gross profit		15,551	13,388	16.2%
Other items of income				
Interest income		80	66	21.2%
Other income	(a)	1,133	1,056	7.3%
Other items of expense				
Depreciation of property, plant and equipment		(520)	(591)	-12.0%
Employee benefits expense		(12,289)	(12,702)	-3.3%
Other expenses		(3,053)	(2,791)	9.4%
Interest expense		(141)	(159)	-11.3%
Share of results of associates		(110)	(118)	-6.8%
Profit/(loss) before tax	(b)	651	(1,851)	n/m
Income tax expense	(c)	(234)	(170)	37.6%
Profit/(loss) net of tax		417	(2,021)	n/m
Other comprehensive loss:				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(1,085)	(1,123)	-3.4%
Other comprehensive loss for the period, net of tax		(1,085)	(1,123)	-3.4%
Total comprehensive loss		(668)	(3,144)	-78.8%
Profit/(loss) net of tax attributable to:				
Equity holders of the Company		383	(882)	n/m
Non-controlling interests		34	(1,139)	n/m
Profit/(loss) net of tax		417	(2,021)	n/m
Total comprehensive loss attributable to:				
Equity holders of the Company		(615)	(2,038)	-69.8%
Non-controlling interests		(53)	(1,106)	-95.2%
Total comprehensive loss		(668)	(3,144)	-78.8%

Note :

n/m = not meaningful

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

Explanatory notes to consolidated income statement

(a) Other income comprises :-

	Group	
	First Quarter Ended	
	31 Mar 17	31 Mar 16
	S\$'000	S\$'000
Corporate fee income	329	251
Gain on disposal of property, plant and equipment	-	31
Rental income	377	407
Service income	381	262
Miscellaneous income	46	105
	1,133	1,056

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

	Group	
	First Quarter Ended	
	31 Mar 17	31 Mar 16
	S\$'000	S\$'000
Amortisation of intangible asset	23	23
Amortisation of land use right	61	61
Bad trade debts written off	6	24
Impairment loss on doubtful trade receivables	-	5
Net foreign exchange loss	307	2
Operating lease expenses	957	966
Property, plant and equipment written off	1	-

(c) Included in income tax expense for the current financial period ended 31 March 2017 is an under-provision of S\$1,000 (2016: over-provision of S\$7,000) relating to prior year.

1(b)(i) A statement of financial position (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 17 S\$'000	As at 31 Dec 16 S\$'000	As at 31 Mar 17 S\$'000	As at 31 Dec 16 S\$'000
ASSETS					
Non-current assets					
Land use right		6,920	6,981	6,920	6,981
Property, plant and equipment		25,138	24,610	2,877	1,404
Intangible assets		7,591	7,794	-	-
Investments in subsidiaries		-	-	25,715	25,715
Investments in associates		5,848	5,954	3,430	3,430
Other investments		4,304	4,304	4,304	4,304
Trade and other receivables		737	759	-	-
Deferred tax assets		459	426	40	47
		<u>50,997</u>	<u>50,828</u>	<u>43,286</u>	<u>41,881</u>
Current assets					
Other investments		1,014	1,014	1,014	1,014
Inventories		2,219	1,607	-	-
Gross amount due from customers					
for contract work-in-progress	(d)	28,952	23,595	-	-
Trade and other receivables	(e)	90,063	104,730	6,782	5,858
Other assets		1,210	1,102	63	174
Cash and cash equivalents	(f)	60,700	76,155	10,708	10,041
		<u>184,158</u>	<u>208,203</u>	<u>18,567</u>	<u>17,087</u>
Total assets		<u>235,155</u>	<u>259,031</u>	<u>61,853</u>	<u>58,968</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital		27,130	27,130	27,130	27,130
Retained earnings		93,279	92,900	30,830	27,812
Other reserves		(4,198)	(3,204)	1,554	1,554
		<u>116,211</u>	<u>116,826</u>	<u>59,514</u>	<u>56,496</u>
Non-controlling interests		1,791	1,844	-	-
Total equity		<u>118,002</u>	<u>118,670</u>	<u>59,514</u>	<u>56,496</u>
Non-current liabilities					
Trade and other payables		1,182	1,245	-	-
Other financial liabilities		6,347	6,807	-	-
Deferred tax liabilities		374	374	-	-
		<u>7,903</u>	<u>8,426</u>	<u>-</u>	<u>-</u>
Current liabilities					
Gross amount due to customers					
for contract work-in-progress	(g)	10,411	10,521	-	-
Trade and other payables	(h)	89,209	110,660	2,339	2,472
Other financial liabilities		4,573	4,249	-	-
Other liabilities		1,782	2,607	-	-
Income tax payable		3,275	3,898	-	-
		<u>109,250</u>	<u>131,935</u>	<u>2,339</u>	<u>2,472</u>
Total liabilities		<u>117,153</u>	<u>140,361</u>	<u>2,339</u>	<u>2,472</u>
Total equity and liabilities		<u>235,155</u>	<u>259,031</u>	<u>61,853</u>	<u>58,968</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (Cont'd)

Explanatory notes to statements of financial position

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

Gross amount due from customers for contract work-in-progress comprises of the contract costs incurred and the profits/losses recognised less the progress billings on our interior fit-out projects and various thematic works across Asia and the Middle East.

(e) **Trade and other receivables**

	Group		Company	
	As at 31 Mar 17	As at 31 Dec 16	As at 31 Mar 17	As at 31 Dec 16
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	81,307	95,816	1,919	1,309
Other receivables	8,756	8,914	4,863	4,549
Total	90,063	104,730	6,782	5,858

(f) **Cash and cash equivalents**

	Group		Company	
	As at 31 Mar 17	As at 31 Dec 16	As at 31 Mar 17	As at 31 Dec 16
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and in hand	40,002	60,027	2,300	1,631
Short-term deposits	20,698	16,128	8,408	8,410
Total	60,700	76,155	10,708	10,041

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

Gross amount due to customers for contract work-in-progress comprises of the progress billings less the contract costs incurred and the profits/losses recognised on our interior fit-out projects and various thematic works across Asia and the Middle East.

(h) **Trade and other payables**

	Group		Company	
	As at 31 Mar 17	As at 31 Dec 16	As at 31 Mar 17	As at 31 Dec 16
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	70,853	89,787	-	-
Other payables	18,356	20,873	2,339	2,472
Total	89,209	110,660	2,339	2,472

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group	
	As at 31 Mar 17	As at 31 Dec 16
	S\$'000	S\$'000
<u>Secured</u>		
- repayable within one year or on demand	4,573	4,249
- repayable after one year	6,347	6,807
	10,920	11,056
<u>Unsecured</u>		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
	-	-

Details of any collaterals

Bank loans and trust receipts are secured by way of legal charges on the Group's three factory units in Malaysia, corporate guarantees of the Company and a subsidiary in Malaysia, personal guarantees given by certain directors of the subsidiaries in Malaysia and short-term deposits pledged to the banks.

Finance lease obligations are secured by the rights to the motor vehicles.

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

	Group	
	First Quarter Ended	
Note	31 Mar 17 S\$'000	31 Mar 16 S\$'000
Cash flows from operating activities		
Profit/(loss) before tax	651	(1,851)
Adjustments for:		
Amortisation of intangible asset	23	23
Amortisation of land use right	61	61
Bad trade debts written off	6	24
Depreciation of property, plant and equipment	566	645
Gain on disposal of property, plant and equipment	-	(31)
Impairment loss on doubtful trade receivables	-	5
Property, plant and equipment written off	1	-
Interest income	(80)	(66)
Interest expense	141	159
Share of results of associates	110	118
Currency realignment	583	355
Operating cash flows before changes in working capital	2,062	(558)
(Increase)/decrease in:		
Inventories	(612)	(133)
Gross amount due from customers for contract work-in-progress	(5,149)	(9,339)
Trade and other receivables	14,683	27,177
Other assets	(136)	141
Increase/(decrease) in:		
Gross amount due to customers for contract work-in-progress	(110)	2,669
Trade and other payables	(20,483)	(19,425)
Other liabilities	(825)	2,842
Net cash flows (used in)/from operations	(10,570)	3,374
Interest received	80	66
Interest paid	(141)	(159)
Income tax paid	(881)	(2,352)
Net cash flows (used in)/from operating activities	(11,512)	929
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,805)	(1,342)
Proceeds from disposal of property, plant and equipment	-	32
Net cash flows used in investing activities	(2,805)	(1,310)
Cash flows from financing activities		
Purchase of treasury shares	-	(113)
Proceeds from draw down of loans and borrowings	1,019	1,413
Repayment of loans and borrowings	(969)	(1,602)
Repayment of finance lease obligations	(2)	(4)
Increase in deposits pledged to banks for banking facilities	(604)	(606)
Net cash flows used in financing activities	(556)	(912)
Net decrease in cash and cash equivalents	(14,873)	(1,293)
Effect of exchange rate changes on cash and cash equivalents	(1,186)	(1,669)
Cash and cash equivalents at beginning of period	74,551	70,688
Cash and cash equivalents at end of period	(i) 58,492	67,726

Explanatory note to consolidated cash flow statement

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

	Group	
	As at 31 Mar 17 S\$'000	As at 31 Mar 16 S\$'000
Cash at banks and in hand	40,002	58,553
Short-term deposits	20,698	11,702
	60,700	70,255
Less: Deposits pledged to banks for banking facilities	(2,208)	(2,529)
Cash and cash equivalents	58,492	67,726

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 Company					
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to equity holders of the Company, total S\$'000	Non-controlling interests S\$'000	Equity, total S\$'000
Opening balance at 1 January 2017	27,130	92,900	(3,204)	116,826	1,844	118,670
Profit for the period	-	383	-	383	34	417
<u>Other comprehensive loss</u>						
Foreign currency translation	-	-	(998)	(998)	(87)	(1,085)
Other comprehensive loss for the period, net of tax	-	-	(998)	(998)	(87)	(1,085)
Total comprehensive income/(loss) for the period	-	383	(998)	(615)	(53)	(668)
Total transactions with equity holders in their capacity as equity holders	-	-	-	-	-	-
<u>Other</u>						
Appropriation to statutory reserve fund	-	(4)	4	-	-	-
Total other	-	(4)	4	-	-	-
Closing balance at 31 March 2017	27,130	93,279	(4,198)	116,211	1,791	118,002
Opening balance at 1 January 2016	26,331	87,030	(2,084)	111,277	2,094	113,371
Loss for the period	-	(882)	-	(882)	(1,139)	(2,021)
<u>Other comprehensive (loss)/income</u>						
Foreign currency translation	-	-	(1,156)	(1,156)	33	(1,123)
Other comprehensive (loss)/income for the period, net of tax	-	-	(1,156)	(1,156)	33	(1,123)
Total comprehensive loss for the period	-	(882)	(1,156)	(2,038)	(1,106)	(3,144)
<u>Contributions by and distributions to equity holders</u>						
Purchase of treasury shares	(113)	-	-	(113)	-	(113)
Total contributions by and distributions to equity holders	(113)	-	-	(113)	-	(113)
Total transactions with equity holders in their capacity as equity holders	(113)	-	-	(113)	-	(113)
Closing balance at 31 March 2016	26,218	86,148	(3,240)	109,126	988	110,114

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 Company			
	Share capital S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity, total S\$'000
Opening balance at 1 January 2017	27,130	27,812	1,554	56,496
Profit for the period	-	3,018	-	3,018
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,018	-	3,018
Total transactions with equity holders in their capacity as equity holders	-	-	-	-
Closing balance at 31 March 2017	27,130	30,830	1,554	59,514
Opening balance at 1 January 2016	26,331	21,898	2,376	50,605
Profit for the period	-	3,226	-	3,226
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,226	-	3,226
<u>Contributions by and distributions to equity holders</u>				
Purchase of treasury shares	(113)	-	-	(113)
Total contributions by and distributions to equity holders	(113)	-	-	(113)
Total transactions with equity holders in their capacity as equity holders	(113)	-	-	(113)
Closing balance at 31 March 2016	26,218	25,124	2,376	53,718

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares, excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

There were no changes in the Company's share capital for the current financial period ended 31 March 2017.

There were no outstanding convertibles issued by the Company as at 31 March 2017 and 31 March 2016.

There were Nil and 1,000,000 treasury shares held by the Company as at 31 March 2017 and 31 March 2016 respectively. There were no subsidiary holdings as at 31 March 2017 and 31 March 2016. The percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings of 198,140,781 and 196,744,181 as at 31 March 2017 and 31 March 2016 were Nil% and 0.51% respectively.

1(d)(iii) To show the 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.

	Company	
	As at 31 Mar 17	As at 31 Dec 16
Total number of issued shares excluding treasury shares	198,140,781	198,140,781

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period ended 31 March 2017.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period ended 31 March 2017.

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

The figures have not been audited nor reviewed by the Company's 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 paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 31 December 2016.

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 has adopted all the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are mandatory for the accounting periods beginning on or after 1 January 2017. The adoption of these new and revised FRS and INT FRS did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current reporting period.

- 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	
	First Quarter Ended	
	31 Mar 17	31 Mar 16
Net profit/(loss) attributable to shareholders (S\$'000)	383	(882)
Weighted average number of ordinary shares in issue	198,140,781	196,771,873
Basic and diluted earnings/(losses) per share (S\$ cents)	0.19	(0.45)

The basic and diluted earnings/(losses) per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2017 and 31 March 2016.

- 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 31 Mar 17	As at 31 Dec 16	As at 31 Mar 17	As at 31 Dec 16
Net asset value, net of non-controlling interests (S\$'000)	116,211	116,826	59,514	56,496
Number of ordinary shares in issue, excluding treasury shares	198,140,781	198,140,781	198,140,781	198,140,781
Net asset value per ordinary share (S\$ cents)	58.65	58.96	30.04	28.51

- 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

	Group			
	First Quarter Ended		+/-	%
	31 Mar 17	31 Mar 16		
	S\$'000	S\$'000	S\$'000	
Exhibitions & Thematic	25,195	28,418	(3,223)	-11.3%
Retail & Corporate Interiors	35,158	29,090	6,068	20.9%
Research & Design	2,895	2,548	347	13.6%
Alternative Marketing	2,947	1,393	1,554	111.6%
	66,195	61,449	4,746	7.7%

For the first quarter ended 31 March 2017 ("1Q 2017"), the Group recorded a revenue of S\$66.2 million, an increase of S\$4.7 million or 7.7% compared to S\$61.5 million for the previous corresponding financial period ended 31 March 2016 ("1Q 2016").

(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 (Cont'd)

The **Exhibitions & Thematic division** registered a revenue of S\$25.2 million in 1Q 2017, a decrease of S\$3.2 million or 11.3% from S\$28.4 million in 1Q 2016. The key contributors to the division's revenue included major events and projects such as Art Stage Singapore 2017, Desaru Adventure Waterpark, Dubai Frame, Heilan Horse Cultural Experience Pavilion, Jakarta Aquarium, King Abdulaziz Center for World Culture, Singapore Maritime Gallery, SMBC Singapore Open 2017 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S\$35.2 million in 1Q 2017, an increase of S\$6.1 million or 20.9% from S\$29.1 million in 1Q 2016. The key accounts which contributed to the division's revenue included clients and brand names such as Christian Dior, DBS Bank, DFS Venture, Fendi, La Perla, Robinsons and Tiffany & Co..

The **Research & Design division** achieved a revenue of S\$2.9 million in 1Q 2017, an increase of S\$0.3 million or 13.6% compared to S\$2.6 million in 1Q 2016. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Procter & Gamble Co., Robinsons and Tencent, and thematic projects in the region.

The **Alternative Marketing division** registered a revenue of S\$3.0 million in 1Q 2017, an increase of S\$1.6 million or 111.6% compared to S\$1.4 million in 1Q 2016. The key contributors to the division's revenue included events and projects from clients such as DFASS, Global Young Scientists Summit, Procter & Gamble Co. and StarHub.

Gross Profit

	Group		
	First Quarter Ended		+/- %
	31 Mar 17 S\$'000	31 Mar 16 S\$'000	
Revenue	66,195	61,449	7.7%
Gross profit	15,551	13,388	16.2%
Gross profit margin	23.5%	21.8%	

Gross profit in 1Q 2017 increased by S\$2.2 million or 16.2% to S\$15.6 million compared to S\$13.4 million in 1Q 2016. The increase was a result of higher revenue and gross profit margin recorded. Gross profit margin was higher at 23.5% in 1Q 2017 compared to 21.8% in 1Q 2016.

Other Items of Income

Interest income relates mainly to interest income earned from short-term deposits and bank balances placed with banks.

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

- (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 (Cont'd)

Other Items of Expense

	Group		
	First Quarter Ended		+/- %
	31 Mar 17	31 Mar 16	
	S\$'000	S\$'000	
Depreciation of property, plant and equipment	520	591	-12.0%
Employee benefits expense	12,289	12,702	-3.3%
Other expenses	3,053	2,791	9.4%
Interest expense	141	159	-11.3%
	16,003	16,243	-1.5%

Lower operating expenses were incurred in 1Q 2017 compared to 1Q 2016. The lower depreciation charge on property, plant and equipment was mainly due to fully depreciated assets, of which no further depreciation charge was recorded in 1Q 2017. The decrease in employee benefits expense was mainly due to lower payroll and related costs incurred. Other expenses rose mainly due to a higher net foreign exchange loss of S\$0.3 million recorded in 1Q 2017 compared to 1Q 2016. The fall in interest expense was mainly due to a lower amount of loans and borrowings outstanding in 1Q 2017 compared to 1Q 2016.

Share of Results of Associates

Share of losses of associates was relatively unchanged at S\$0.1 million in 1Q 2017 compared to 1Q 2016. The losses for 1Q 2017 were due to loss contribution from certain associates partially offset by profit contribution from other associates.

Profit Net of Tax Attributable to Equity Holders of the Company

Based on the above, profit net of tax attributable to equity holders of the Company was S\$0.4 million in 1Q 2017, an improvement from the loss net of tax attributable to equity holders of the Company of S\$0.9 million recorded in 1Q 2016.

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

Cash Flow

Net cash used in operating activities of S\$11.5 million in Q1 2017 mainly arose from cash outflow from a net increase in working capital requirements of S\$12.6 million (largely from a decrease in trade and other payables). Net cash used in investing activities of S\$2.8 million in Q1 2017 comprised wholly of purchase of property, plant and equipment. Net cash used in financing activities of S\$0.6 million mainly arose from an increase in pledged bank deposits of S\$0.6 million. Based on the above, we had a net decrease in cash and cash equivalent of S\$14.9 million in Q1 2017 and our cash and cash equivalent stood at S\$58.5 million as at 31 March 2017.

- 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 21 February 2017, we stated that, barring unforeseen circumstances, we expect FY2017 to be a profitable year. Our 1Q 2017 results 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 Exhibitions & Thematic division continues to see good prospect in the exhibition, event, museum and thematic industries across Asia and the Middle East. The division has completed several events and projects to date, including Art Stage Singapore 2017 and SMBC Singapore Open 2017, and expects to continue its momentum.

The Retail and Corporate Interiors division continues to serve its clients in the high-end luxury retail segment even as it continues to expand its base of clients in other market segments such as affordable luxury retail, fast fashion retail, travel retail, corporate interior and food & beverage.

We are well-positioned to meet the evolving needs of our clients and will continue to invest in developing our talent pool, improving our processes and better integrating our service offerings. As at 30 April 2017, we have secured contracts of S\$169 million, of which S\$159 million is expected to be recognised in FY2017. Barring unforeseen circumstances, we expect FY2017 to be a profitable year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(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 dividend has been declared or recommended for the current financial period ended 31 March 2017.

- 13 If the group has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of the Singapore Exchange Securities Trading Limited. If no interested person transactions mandate has been obtained, a statement to that effect.**

No interested person transaction mandate has been obtained from the shareholders of the Company. There were no interested person transactions of S\$100,000 and above entered into by the Group during the current financial period ended 31 March 2017.

- 14 Confirmation of negative assurance by the Board of Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.**

We, Soh Siak Poh Benedict and Simon Ong Chin Sim, being two of the Directors of Kingsmen Creatives Ltd. (the "Company"), do hereby confirm 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 of Directors which may render the unaudited financial results for the current financial period ended 31 March 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Soh Siak Poh Benedict
Executive Chairman

Simon Ong Chin Sim
Deputy Executive Chairman

12 May 2017

- 15 Confirmation that the issuer has procured undertakings from its directors and executive officers under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.**

The Company confirms that it has procured undertakings from its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD OF DIRECTORS

Soh Siak Poh Benedict
Executive Chairman

12 May 2017