

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**
**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 %
		31 Mar 19 S\$'000	31 Mar 18 S\$'000	
<b>Revenue</b>		76,682	61,022	25.7%
Cost of sales		(58,847)	(45,651)	28.9%
<b>Gross profit</b>		17,835	15,371	16.0%
<b>Other items of income</b>				
Interest income		121	77	57.1%
Other income	(a)	871	994	-12.4%
<b>Other items of expense</b>				
Depreciation of property, plant and equipment		(829)	(522)	58.8%
Employee benefits expense		(13,758)	(12,951)	6.2%
Other expenses		(3,420)	(2,739)	24.9%
Interest expense		(310)	(150)	106.7%
Share of result of joint venture		(52)	-	n/m
Share of results of associates		34	200	-83.0%
<b>Profit before tax</b>	(b)	492	280	75.7%
Income tax expense	(c)	(389)	(126)	208.7%
<b>Profit net of tax</b>		103	154	-33.1%
<b>Other comprehensive income:</b>				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		183	58	215.5%
<b>Other comprehensive income for the period, net of tax</b>		183	58	215.5%
<b>Total comprehensive income</b>		286	212	34.9%
<b>Profit/(loss) net of tax attributable to:</b>				
Equity holders of the Company		234	445	-47.4%
Non-controlling interests		(131)	(291)	-55.0%
<b>Profit net of tax</b>		103	154	-33.1%
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company		409	482	-15.1%
Non-controlling interests		(123)	(270)	-54.4%
<b>Total comprehensive income</b>		286	212	34.9%

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 :-

	<b>Group</b>	
	<b>First Quarter Ended</b>	
	<b>31 Mar 19</b>	<b>31 Mar 18</b>
	S\$'000	S\$'000
Corporate fee income	287	291
Net foreign exchange gain	48	-
Rental income	431	432
Service income	-	179
Write-back of impairment loss on doubtful trade receivable	-	1
Miscellaneous income	105	91
	<b>871</b>	<b>994</b>

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

	<b>Group</b>	
	<b>First Quarter Ended</b>	
	<b>31 Mar 19</b>	<b>31 Mar 18</b>
	S\$'000	S\$'000
Amortisation of intangible assets	49	48
Amortisation of land use right	61	61
Depreciation of right-of-use assets	940	-
Impairment loss on doubtful trade receivables	-	8
Loss on deemed acquisition of interest in an associate	55	-
Net foreign exchange loss	-	298
Net loss on disposal of property, plant and equipment	4	25
Operating lease expenses	-	925

(c) Included in income tax expense for the current financial period ended 31 March 2019 is an under-provision of income tax of S\$26,000 (2018: over-provision of S\$20,000) 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 19 S\$'000	As at 31 Dec 18 S\$'000	As at 31 Mar 19 S\$'000	As at 31 Dec 18 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Land use right		6,434	6,495	6,434	6,495
Property, plant and equipment		48,735	48,580	25,507	25,781
Right-of-use assets *		9,717	-	166	-
Intangible assets		8,444	8,539	-	-
Investments in subsidiaries		-	-	31,736	30,819
Investment in joint venture		177	232	-	-
Investments in associates		6,062	6,162	3,430	3,430
Other investments		2,529	2,529	2,529	2,529
Trade and other receivables		158	134	-	-
Deferred tax assets		633	722	-	-
		<u>82,889</u>	<u>73,393</u>	<u>69,802</u>	<u>69,054</u>
<b>Current assets</b>					
Inventories		3,376	4,169	-	-
Contract assets	(d)	33,494	25,924	-	-
Trade and other receivables	(e)	88,219	108,748	6,609	6,302
Other assets		2,116	1,962	45	102
Cash and cash equivalents	(f)	71,283	79,757	8,664	10,563
		<u>198,488</u>	<u>220,560</u>	<u>15,318</u>	<u>16,967</u>
<b>Total assets</b>		<u>281,377</u>	<u>293,953</u>	<u>85,120</u>	<u>86,021</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital		28,901	27,984	28,901	27,984
Retained earnings		98,689	98,631	34,852	34,892
Other reserves		(5,749)	(5,393)	(263)	(263)
		<u>121,841</u>	<u>121,222</u>	<u>63,490</u>	<u>62,613</u>
Non-controlling interests		(335)	177	-	-
<b>Total equity</b>		<u>121,506</u>	<u>121,399</u>	<u>63,490</u>	<u>62,613</u>
<b>Non-current liabilities</b>					
Trade and other payables		1,182	1,147	-	-
Other financial liabilities		21,957	22,510	18,227	18,425
Lease liabilities *		7,847	-	4	-
Deferred tax liabilities		474	377	56	56
		<u>31,460</u>	<u>24,034</u>	<u>18,287</u>	<u>18,481</u>
<b>Current liabilities</b>					
Contract liabilities	(g)	11,258	10,305	-	-
Trade and other payables	(h)	94,452	119,642	2,021	3,687
Other financial liabilities		12,777	13,165	1,158	1,240
Lease liabilities *		2,050	-	164	-
Other liabilities		5,783	1,670	-	-
Income tax payable		2,091	3,738	-	-
		<u>128,411</u>	<u>148,520</u>	<u>3,343</u>	<u>4,927</u>
<b>Total liabilities</b>		<u>159,871</u>	<u>172,554</u>	<u>21,630</u>	<u>23,408</u>
<b>Total equity and liabilities</b>		<u>281,377</u>	<u>293,953</u>	<u>85,120</u>	<u>86,021</u>

\* The right-of-use assets and lease liabilities arose as a result of the adoption of Singapore Financial Reporting Standard (International) 16 Leases on 1 January 2019 as described under paragraph 5 below.

**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) **Contract assets**

Contract assets comprise 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 Pacific and the Middle East.

(e) **Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 19</b> S\$'000	<b>As at 31 Dec 18</b> S\$'000	<b>As at 31 Mar 19</b> S\$'000	<b>As at 31 Dec 18</b> S\$'000
Trade receivables	72,669	96,078	1,916	1,300
Other receivables	15,550	12,670	4,693	5,002
<b>Total</b>	<b>88,219</b>	<b>108,748</b>	<b>6,609</b>	<b>6,302</b>

(f) **Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 19</b> S\$'000	<b>As at 31 Dec 18</b> S\$'000	<b>As at 31 Mar 19</b> S\$'000	<b>As at 31 Dec 18</b> S\$'000
Cash at banks and in hand	48,785	59,170	1,066	2,973
Short-term deposits	22,498	20,587	7,598	7,590
<b>Total</b>	<b>71,283</b>	<b>79,757</b>	<b>8,664</b>	<b>10,563</b>

(g) **Contract liabilities**

Contract liabilities comprise 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 Pacific and the Middle East.

(h) **Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 Mar 19</b> S\$'000	<b>As at 31 Dec 18</b> S\$'000	<b>As at 31 Mar 19</b> S\$'000	<b>As at 31 Dec 18</b> S\$'000
Trade payables	76,655	96,228	-	-
Other payables	17,797	23,414	2,021	3,687
<b>Total</b>	<b>94,452</b>	<b>119,642</b>	<b>2,021</b>	<b>3,687</b>

**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.**

	<b>Group</b>	
	<b>As at 31 Mar 19</b>	<b>As at 31 Dec 18</b>
	S\$'000	S\$'000
<b><u>Secured</u></b>		
- repayable within one year or on demand	12,777	13,165
- repayable after one year	21,957	22,510
	<b>34,734</b>	<b>35,675</b>
<b><u>Unsecured</u></b>		
- repayable within one year or on demand	-	-
- repayable after one year	-	-
	-	-

#### **Details of any collaterals**

Bank loans, trust receipts and bank overdrafts are secured by way of legal charges on the Group's four properties in Singapore and 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 obligation is secured by the right to the motor vehicle.

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.**

	<b>Group</b>	
	<b>First Quarter Ended</b>	
<b>Note</b>	<b>31 Mar 19</b>	<b>31 Mar 18</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	492	280
Adjustments for:		
Amortisation of intangible assets	49	48
Amortisation of land use right	61	61
Depreciation of property, plant and equipment	831	578
Depreciation of right-of-use assets	940	-
Loss on deemed acquisition of interest in an associate	55	-
Net impairment loss on doubtful trade receivables	-	7
Net loss on disposal of property, plant and equipment	4	25
Interest income	(121)	(77)
Interest expense	310	150
Share of result of joint venture	52	-
Share of results of associates	(34)	(200)
Currency realignment	96	223
<b>Operating cash flows before changes in working capital</b>	<b>2,735</b>	<b>1,095</b>
(Increase)/decrease in:		
Inventories	793	(617)
Contract assets	(7,397)	(7,913)
Trade and other receivables	20,505	15,190
Other assets	(189)	202
Increase/(decrease) in:		
Contract liabilities	953	3,639
Trade and other payables	(24,595)	(15,862)
Other liabilities	4,113	1,761
<b>Net cash flows used in operations</b>	<b>(3,082)</b>	<b>(2,505)</b>
Interest received	121	77
Interest paid	(265)	(150)
Income tax paid	(1,929)	(743)
<b>Net cash flows used in operating activities</b>	<b>(5,155)</b>	<b>(3,321)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,633)	(5,642)
Proceeds from disposal of property, plant and equipment	4	63
<b>Net cash flows used in investing activities</b>	<b>(1,629)</b>	<b>(5,579)</b>
<b>Cash flows from financing activities</b>		
Dividend paid to non-controlling interest of a subsidiary	-	(100)
Proceeds from draw down of loans and borrowings	2,681	4,955
Repayment of loans and borrowings	(3,872)	(2,011)
Repayment of finance lease liability	(1)	-
Repayment of lease liabilities	(981)	-
Decrease/(increase) in deposits pledged for bank facilities	459	(26)
<b>Net cash flows (used in)/from financing activities</b>	<b>(1,714)</b>	<b>2,818</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(8,498)</b>	<b>(6,082)</b>
Effect of exchange rate changes on cash and cash equivalents	237	(99)
Cash and cash equivalents at beginning of period	77,508	71,073
<b>Cash and cash equivalents at end of period</b>	<b>69,247</b>	<b>64,892</b>
(i)		

**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. (Cont'd)**

**Explanatory note to consolidated cash flow statement**

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

	<b>Group</b>	
	<b>As at 31 Mar 19</b>	<b>As at 31 Mar 18</b>
	S\$'000	S\$'000
Cash at banks and in hand	48,785	51,483
Short-term deposits	22,498	15,971
	<u>71,283</u>	<u>67,454</u>
Less: Bank overdrafts	(246)	-
Less: Deposits pledged for bank facilities	<u>(1,790)</u>	<u>(2,562)</u>
Cash and cash equivalents	<u>69,247</u>	<u>64,892</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 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
<b>Opening balance at 1 January 2019, as previously reported</b>	27,984	98,631	(5,393)	121,222	177	121,399
Effect of adopting SFRS(I) 16	-	(176)	-	(176)	(3)	(179)
<b>Opening balance at 1 January 2019, as restated</b>	27,984	98,455	(5,393)	121,046	174	121,220
Profit/(loss) for the period	-	234	-	234	(131)	103
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	175	175	8	183
Other comprehensive income for the period, net of tax	-	-	175	175	8	183
<b>Total comprehensive income/(loss) for the period</b>	-	234	175	409	(123)	286
<u>Contributions by and distributions to equity holders</u>						
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	917	-	-	917	-	917
Total contributions by and distributions to equity holders	917	-	-	917	-	917
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interest of a subsidiary without a change in control	-	-	(531)	(531)	(386)	(917)
Total changes in ownership interests in subsidiaries	-	-	(531)	(531)	(386)	(917)
<b>Total transactions with equity holders in their capacity as equity holders</b>	917	-	(531)	386	(386)	-
<b>Closing balance at 31 March 2019</b>	28,901	98,689	(5,749)	121,841	(335)	121,506



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)

Group	Attributable to equity holders of the Company					Equity, total S\$'000
	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	
<b>Opening balance at 1 January 2018, as previously reported</b>	27,710	97,507	(4,293)	120,924	1,126	122,050
Effect of adopting SFRS(I)	-	(1,825)	1,825	-	-	-
<b>Opening balance at 1 January 2018, as restated</b>	27,710	95,682	(2,468)	120,924	1,126	122,050
Profit/(loss) for the period	-	445	-	445	(291)	154
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	37	37	21	58
Other comprehensive income for the period, net of tax	-	-	37	37	21	58
<b>Total comprehensive income/(loss) for the period</b>	-	445	37	482	(270)	212
<u>Changes in ownership interests in subsidiaries</u>						
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	(100)	(100)
Total changes in ownership interests in subsidiaries	-	-	-	-	(100)	(100)
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	-	-	-	(100)	(100)
<b>Closing balance at 31 March 2018</b>	27,710	96,127	(2,431)	121,406	756	122,162

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
<b>Opening balance at 1 January 2019, as previously reported</b>	27,984	34,892	(263)	62,613
Effect of adopting SFRS(I) 16	-	(6)	-	(6)
<b>Opening balance at 1 January 2019, as restated</b>	27,984	34,886	(263)	62,607
Loss for the period	-	(34)	-	(34)
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	(34)	-	(34)
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	917	-	-	917
Total contributions by and distributions to equity holders	917	-	-	917
<b>Total transactions with equity holders in their capacity as equity holders</b>	917	-	-	917
<b>Closing balance at 31 March 2019</b>	28,901	34,852	(263)	63,490
<b>Opening balance at 1 January 2018</b>	27,710	31,993	1,563	61,266
Profit for the period	-	1,677	-	1,677
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	-	1,677	-	1,677
<b>Total transactions with equity holders in their capacity as equity holders</b>	-	-	-	-
<b>Closing balance at 31 March 2018</b>	27,710	33,670	1,563	62,943

- 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.**

<b>Ordinary shares issued and fully paid-up</b>	<b>Number of shares</b>	<b>Issued and paid-up share capital S\$'000</b>
Balance as at 1 January 2019	199,575,261	27,984
Ordinary shares issued pursuant to acquisition of non-controlling interest in a subsidiary	<u>1,835,468</u>	<u>917</u>
Balance as at 31 March 2019	<u>201,410,729</u>	<u>28,901</u>

There were no outstanding convertibles issued by the Company as at 31 March 2019 and 31 March 2018.

There were no treasury shares held by the Company as at 31 March 2019 and 31 March 2018. There were no subsidiary holdings as at 31 March 2019 and 31 March 2018. 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 201,410,729 and 199,107,061 as at 31 March 2019 and 31 March 2018 were Nil% and Nil% 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.**

	<b>Company</b>	
	<b>As at 31 Mar 19</b>	<b>As at 31 Dec 18</b>
Total number of issued shares excluding treasury shares	<u>201,410,729</u>	<u>199,575,261</u>

- 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 2019.

- 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 2019.

- 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 2018.

**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 all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for the accounting periods beginning on or after 1 January 2019. Other than the effects of SFRS(I) 16 Leases as described below, the adoption of these new and revised SFRS(I) and INT SFRS(I) 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.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019 and will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. Under SFRS(I) 16, a lessee will recognise an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset) and a liability to make a lease payment (i.e. lease liability). The lessee will be required to separately recognise the depreciation expense on the right-of-use asset and the interest expense on the lease liability.

The Group and the Company adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach, with no restatement of comparative information. In compliance with SFRS(I) 16, the Group and the Company have applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities as at 1 January 2019. Subsequent to initial recognition, the Group and the Company depreciate the right-of-use assets over the shorter of the useful life of the right-of-use assets and the lease term and recognise interest expenses on the lease liabilities.

**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>First Quarter Ended</b>	
	<b>31 Mar 19</b>	<b>31 Mar 18</b>
Net profit attributable to shareholders (S\$'000)	234	445
Weighted average number of ordinary shares in issue	200,492,995	199,107,061
Basic and diluted earnings per share (S\$ cents)	0.12	0.22

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2019 and 31 March 2018.

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 19</b>	<b>As at 31 Dec 18</b>	<b>As at 31 Mar 19</b>	<b>As at 31 Dec 18</b>
Net asset value, net of non-controlling interests (S\$'000)	121,841	121,222	63,490	62,613
Number of ordinary shares in issue, excluding treasury shares	201,410,729	199,575,261	201,410,729	199,575,261
Net asset value per ordinary share (S\$ cents)	60.49	60.74	31.52	31.37

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>First Quarter Ended</b>		<b>+/-</b>	<b>%</b>
	<b>31 Mar 19</b>	<b>31 Mar 18</b>		
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	
Exhibitions & Thematic	33,400	29,858	3,542	11.9%
Retail & Corporate Interiors	37,746	24,923	12,823	51.5%
Research & Design	4,273	3,319	954	28.7%
Alternative Marketing	1,263	2,922	(1,659)	-56.8%
	<b>76,682</b>	<b>61,022</b>	<b>15,660</b>	<b>25.7%</b>

For the first quarter ended 31 March 2019 ("1Q 2019"), the Group recorded a revenue of S\$76.7 million, an increase of S\$15.7 million or 25.7% compared to S\$61.0 million for the previous corresponding period ended 31 March 2018 ("1Q 2018"). The increase in revenue was mainly due to the contribution from several key events and projects in 1Q 2019.

The **Exhibitions & Thematic division** registered a revenue of S\$33.4 million in 1Q 2019, an increase of S\$3.5 million or 11.9% from S\$29.9 million in 1Q 2018. The key contributors to the division's revenue included major events and projects such as Changi Experience Studio, Shenzhen Binhai Tencent Exhibition Centre, Singapore Bicentennial Event, Singapore Motorshow 2019, SMBC Singapore Open 2019 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S\$37.7 million in 1Q 2019, an increase of S\$12.8 million or 51.5% compared to S\$24.9 million in 1Q 2018. The key accounts which contributed to the division's revenue included clients and brand names such as Coach, Hanoi French Hospital, Kate Spade, Lululemon, Michael Kors, Ralph Lauren, Tiffany & Co. and Van Cleef & Arpels.

The **Research & Design division** achieved a revenue of S\$4.3 million in 1Q 2019, an increase of S\$1.0 million or 28.7% compared to S\$3.3 million in 1Q 2018. The key accounts which contributed to the division's revenue included clients and brand names such as Burberry, Gucci, Procter & Gamble Co. and TAG Heuer, and thematic projects in the region.

**(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 **Alternative Marketing division** registered a revenue of S\$1.2 million in 1Q 2019, a decrease of S\$1.7 million or 56.8% from S\$2.9 million in 1Q 2018. The key contributors to the division's revenue included events and projects from clients such as Automobile Association of Singapore, National Council on Problem Gambling and Singapore Cruise Centre.

**Gross Profit**

	<b>Group</b>		
	<b>First Quarter Ended</b>		
	<b>31 Mar 19</b>	<b>31 Mar 18</b>	<b>+/-</b>
	S\$'000	S\$'000	%
Revenue	76,682	61,022	25.7%
Gross profit	17,835	15,371	16.0%
Gross profit margin	23.3%	25.2%	

Gross profit in 1Q 2019 increased by S\$2.5 million or 16.0% to S\$17.8 million compared to S\$15.3 million in 1Q 2018. The increase was a result of higher revenue registered and partially offset by a decline in gross profit margin. Gross profit margin was lower at 23.3% in 1Q 2019 compared to 25.2% in 1Q 2018.

**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). Other income decreased by S\$0.1 million or 12.4% from S\$1.0 million in 1Q 2018 to S\$0.9 million in 1Q 2019. The decrease was mainly due to the absence of service income, which amounted to S\$0.2 million in 1Q 2018, and partially offset by the recognition of net foreign exchange gain of S\$0.1 million.

**Other Items of Expense**

	<b>Group</b>		
	<b>First Quarter Ended</b>		
	<b>31 Mar 19</b>	<b>31 Mar 18</b>	<b>+/-</b>
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	829	522	58.8%
Employee benefits expense	13,758	12,951	6.2%
Other expenses	3,420	2,739	24.9%
Interest expense	310	150	106.7%
	<b>18,317</b>	<b>16,362</b>	<b>11.9%</b>

**(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)**

Higher operating expenses were incurred in 1Q 2019 compared to 1Q 2018. The higher depreciation charge on property, plant and equipment was mainly due to depreciation charge incurred on new addition of assets and partially offset by fully depreciated assets of which no further depreciation charge was recorded. The new addition of assets mainly comprised of the new headquarters building and related equipment which commenced use from September 2018. The increase in employee benefits expense was mainly due to higher cost resulting from increased headcount from the new experiential attractions business and increased average wage. Other expenses were higher in 1Q 2019 compared to 1Q 2018 mainly due to the recognition of depreciation charge on right-of-use assets of S\$0.9 million and higher expenses such as upkeep and maintenance expenses and utilities, which were partially offset by the absence of operating lease expenses and net foreign exchange loss (which amounted to S\$0.9 million and S\$0.3 million respectively in 1Q 2018). The increase in interest expense was mainly due to a higher amount of loans and borrowings outstanding in 1Q 2019 compared to 1Q 2018 and the recognition of interest expense on lease liabilities.

**Share of Result of Joint Venture**

Share of loss of joint venture amounted to S\$52,000 in 1Q 2019. The joint venture company was newly incorporated at end 2018.

**Share of Results of Associates**

Share of profits of associates decreased by S\$166,000 or 83.0% from S\$200,000 in 1Q 2018 to S\$34,000 in 1Q 2019. The decrease was mainly due to lower profit contribution from certain 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 decreased by S\$0.2 million or 47.4% from S\$0.4 million in 1Q 2018 to S\$0.2 million in 1Q 2019.

**(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\$5.2 million in 1Q 2019 mainly arose from profit before tax of S\$0.5 million and adjusted for a net increase in non-cash flow items of S\$2.2 million (largely from depreciation of property, plant and equipment and depreciation of right-of-use assets), and partially offset by a net increase in working capital requirements of S\$5.8 million (largely from movements in contract assets, trade and other receivables and trade and other payables) and income tax paid of S\$1.9 million. Net cash used in investing activities of S\$1.6 million in 1Q 2019 comprised mainly of purchase of property, plant and equipment of S\$1.6 million. Net cash used in financing activities of S\$1.7 million in 1Q 2019 mainly arose from net repayment of loans and borrowings and repayment of lease liabilities of S\$1.2 million and S\$1.0 million respectively, and partially offset by a decrease in pledged bank deposits of S\$0.5 million. Based on the above, the Group had a net decrease in cash and cash equivalents of S\$8.5 million in 1Q 2019 and the cash and cash equivalents stood at S\$69.2 million as at 31 March 2019.

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

In the announcement on 19 February 2019, the Group stated that, barring unforeseen circumstances, it expects FY2019 to be a profitable year. The 1Q 2019 results are in line with the Group's expectation.

**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 continues to see good demand from the market and its clients for its expertise and broad range of service offerings. The line-up of projects and attractions already secured, and are currently being pursued, provide a firm foundation for continued momentum in its core business areas. The Group will continue its expansion into branded experiential attractions and focus on the three broad areas of active play, edutainment and live events, leveraging on the capabilities that have been built over the years to innovate and provide differentiated and unique experiences.

As at 30 April 2019, the Group has secured contracts of S\$217 million, of which S\$200 million is expected to be recognised in FY2019. Barring unforeseen circumstances, the Group expects FY2019 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 and the reason(s) for the decision.**

No dividend has been declared or recommended for the current financial period ended 31 March 2019 as the Group wishes to retain cash for its business operations.



- 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 2019.

- 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 2019 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

15 May 2019

- 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

15 May 2019