

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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					
		Second Quarter Ended			Half Year Ended		
		30 Jun 19	30 Jun 18	Change	30 Jun 19	30 Jun 18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue		96,160	85,803	12.1%	172,842	146,825	17.7%
Cost of sales		(75,236)	(65,476)	14.9%	(134,083)	(111,127)	20.7%
Gross profit		20,924	20,327	2.9%	38,759	35,698	8.6%
Other items of income							
Interest income		178	108	64.8%	299	185	61.6%
Other income	(a)	988	1,800	-45.1%	1,773	2,496	-29.0%
Other items of expense							
Depreciation of property, plant and equipment		(761)	(437)	74.1%	(1,590)	(959)	65.8%
Employee benefits expense		(14,650)	(14,616)	0.2%	(28,408)	(27,567)	3.1%
Other expenses		(3,834)	(3,768)	1.8%	(7,168)	(6,209)	15.4%
Interest expense		(424)	(190)	123.2%	(734)	(340)	115.9%
Share of result of joint venture		79	-	n/m	27	-	n/m
Share of results of associates		76	227	-66.5%	110	427	-74.2%
Profit before tax	(b)	2,576	3,451	-25.4%	3,068	3,731	-17.8%
Income tax expense	(c)	(883)	(1,053)	-16.1%	(1,272)	(1,179)	7.9%
Profit net of tax		1,693	2,398	-29.4%	1,796	2,552	-29.6%
Other comprehensive loss:							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of tax		(706)	(355)	98.9%	(523)	(297)	76.1%
Other comprehensive loss for the period, net of tax		(706)	(355)	98.9%	(523)	(297)	76.1%
Total comprehensive income		987	2,043	-51.7%	1,273	2,255	-43.5%
Profit/(loss) net of tax attributable to:							
Equity holders of the Company		1,540	2,509	-38.6%	1,774	2,954	-39.9%
Non-controlling interests		153	(111)	n/m	22	(402)	n/m
Profit net of tax		1,693	2,398	-29.4%	1,796	2,552	-29.6%
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		832	2,201	-62.2%	1,241	2,683	-53.7%
Non-controlling interests		155	(158)	n/m	32	(428)	n/m
Total comprehensive income		987	2,043	-51.7%	1,273	2,255	-43.5%

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			
	Second Quarter Ended		Half Year Ended	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	S\$'000	S\$'000	S\$'000	S\$'000
Bad trade debts recovered	56	-	56	-
Corporate fee income	93	117	380	408
Dividend income from equity instrument at fair value through other comprehensive income	105	47	105	47
Net foreign exchange gain	112	1,229	30	931
Net gain on disposal of property, plant and equipment	24	-	20	-
Rental income	288	273	760	705
Service income	-	11	-	190
Write-back of impairment loss on doubtful trade receivables	188	-	188	1
Miscellaneous income	122	123	234	214
	988	1,800	1,773	2,496

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

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	49	49	98	97
Amortisation of land use right	61	61	122	122
Bad trade debts written off	7	-	7	-
Depreciation of right-of-use assets	821	-	1,761	-
Impairment loss on doubtful trade receivables	78	-	78	8
Loss on deemed acquisition of interest in an associate	-	-	55	-
Net loss on disposal of property, plant and equipment	-	5	-	30
Operating lease expenses	-	1,010	-	1,935
Property, plant and equipment written off	85	-	85	-

(c) Included in income tax expense for the second quarter and half year ended 30 June 2019 are under-provision of income tax of S\$88,000 (2Q 2018: S\$196,000) and S\$114,000 (1H 2018: S\$176,000) 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 30 Jun 19 S\$'000	As at 31 Dec 18 S\$'000	As at 30 Jun 19 S\$'000	As at 31 Dec 18 S\$'000
ASSETS					
Non-current assets					
Land use right		6,373	6,495	6,373	6,495
Property, plant and equipment		49,793	48,580	25,215	25,781
Right-of-use assets *		9,959	-	7	-
Intangible assets		8,412	8,539	-	-
Investments in subsidiaries		-	-	31,736	30,819
Investment in joint venture		261	232	-	-
Investments in associates		6,115	6,162	3,430	3,430
Other investments		2,529	2,529	2,529	2,529
Trade and other receivables		155	134	-	-
Deferred tax assets		750	722	-	-
		<u>84,347</u>	<u>73,393</u>	<u>69,290</u>	<u>69,054</u>
Current assets					
Inventories		3,157	4,169	-	-
Contract assets	(d)	31,385	25,924	-	-
Trade and other receivables	(e)	90,310	108,748	10,154	6,302
Other assets		2,793	1,962	6	102
Cash and cash equivalents	(f)	68,867	79,757	6,186	10,563
		<u>196,512</u>	<u>220,560</u>	<u>16,346</u>	<u>16,967</u>
Total assets		<u>280,859</u>	<u>293,953</u>	<u>85,636</u>	<u>86,021</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital		29,191	27,984	29,191	27,984
Retained earnings		97,200	98,631	35,391	34,892
Other reserves		(6,457)	(5,393)	(263)	(263)
		<u>119,934</u>	<u>121,222</u>	<u>64,319</u>	<u>62,613</u>
Non-controlling interests		(210)	177	-	-
Total equity		<u>119,724</u>	<u>121,399</u>	<u>64,319</u>	<u>62,613</u>
Non-current liabilities					
Trade and other payables		1,171	1,147	-	-
Other financial liabilities		21,263	22,510	17,977	18,425
Lease liabilities *		8,035	-	3	-
Deferred tax liabilities		467	377	56	56
		<u>30,936</u>	<u>24,034</u>	<u>18,036</u>	<u>18,481</u>
Current liabilities					
Contract liabilities	(g)	14,167	10,305	-	-
Trade and other payables	(h)	95,282	119,642	2,145	3,687
Other financial liabilities		13,541	13,165	1,131	1,240
Lease liabilities *		2,296	-	5	-
Other liabilities		2,497	1,670	-	-
Income tax payable		2,416	3,738	-	-
		<u>130,199</u>	<u>148,520</u>	<u>3,281</u>	<u>4,927</u>
Total liabilities		<u>161,135</u>	<u>172,554</u>	<u>21,317</u>	<u>23,408</u>
Total equity and liabilities		<u>280,859</u>	<u>293,953</u>	<u>85,636</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**

	Group		Company	
	As at 30 Jun 19	As at 31 Dec 18	As at 30 Jun 19	As at 31 Dec 18
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	76,811	96,078	1,801	1,300
Other receivables	13,499	12,670	8,353	5,002
Total	90,310	108,748	10,154	6,302

(f) **Cash and cash equivalents**

	Group		Company	
	As at 30 Jun 19	As at 31 Dec 18	As at 30 Jun 19	As at 31 Dec 18
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at banks and in hand	51,912	59,170	1,074	2,973
Short-term deposits	16,955	20,587	5,112	7,590
Total	68,867	79,757	6,186	10,563

(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**

	Group		Company	
	As at 30 Jun 19	As at 31 Dec 18	As at 30 Jun 19	As at 31 Dec 18
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	82,471	96,228	-	-
Other payables	12,811	23,414	2,145	3,687
Total	95,282	119,642	2,145	3,687

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 30 Jun 19	As at 31 Dec 18
	S\$'000	S\$'000
<u>Secured</u>		
- repayable within one year or on demand	13,287	13,165
- repayable after one year	21,263	22,510
	34,550	35,675
<u>Unsecured</u>		
- repayable within one year or on demand	254	-
- repayable after one year	-	-
	254	-

Details of any collaterals

The secured 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.

The secured finance lease liabilities are secured by the right 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				
	Note	Second Quarter Ended		Half Year Ended	
		30 Jun 19 S\$'000	30 Jun 18 S\$'000	30 Jun 19 S\$'000	30 Jun 18 S\$'000
Cash flows from operating activities					
Profit before tax		2,576	3,451	3,068	3,731
Adjustments for:					
Amortisation of intangible assets		49	49	98	97
Amortisation of land use right		61	61	122	122
Bad trade debts written off		7	-	7	-
Depreciation of property, plant and equipment		1,165	458	1,996	1,001
Depreciation of right-of-use assets		858	-	1,798	-
Dividend income from equity instrument at fair value through other comprehensive income		(105)	(47)	(105)	(47)
Loss on deemed acquisition of interest in an associate		-	-	55	-
Net (gain)/loss on disposal of property, plant and equipment		(24)	5	(20)	30
Net (write-back of)/impairment loss on doubtful trade receivables		(110)	-	(110)	7
Performance share scheme expense		94	152	94	152
Property, plant and equipment written off		85	-	85	-
Interest income		(178)	(108)	(299)	(185)
Interest expense		424	190	734	340
Share of result of joint venture		(79)	-	(27)	-
Share of results of associates		(76)	(227)	(110)	(427)
Currency realignment		(130)	(850)	(34)	(627)
Operating cash flows before changes in working capital		<u>4,617</u>	<u>3,134</u>	<u>7,352</u>	<u>4,194</u>
(Increase)/decrease in:					
Inventories		219	476	1,012	(141)
Contract assets		1,936	(9,603)	(5,461)	(17,481)
Trade and other receivables		(1,985)	(5,477)	18,520	9,713
Other assets		(611)	(126)	(800)	76
Increase/(decrease) in:					
Contract liabilities		2,909	55	3,862	3,694
Trade and other payables		819	14,831	(23,776)	(1,031)
Other liabilities		(3,090)	(1,743)	1,023	18
Net cash flows from/(used in) operations		<u>4,814</u>	<u>1,547</u>	<u>1,732</u>	<u>(958)</u>
Interest received		178	108	299	185
Interest paid		(351)	(190)	(616)	(340)
Income tax paid		(751)	(650)	(2,680)	(1,393)
Net cash flows from/(used in) operating activities		<u>3,890</u>	<u>815</u>	<u>(1,265)</u>	<u>(2,506)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment		(2,298)	(4,276)	(3,931)	(9,918)
Proceeds from disposal of property, plant and equipment		33	1	37	64
Dividend income from equity instrument at fair value through other comprehensive income		105	5	105	5
Net cash flows used in investing activities		<u>(2,160)</u>	<u>(4,270)</u>	<u>(3,789)</u>	<u>(9,849)</u>
Cash flows from financing activities					
Dividends paid on ordinary shares		(3,029)	(2,994)	(3,029)	(2,994)
Dividends paid to non-controlling interests of subsidiaries		(30)	(12)	(30)	(112)
Proceeds from draw down of loans and borrowings		3,300	10,736	5,981	15,691
Repayment of loans and borrowings		(3,309)	(1,819)	(7,181)	(3,830)
Repayment of finance lease liability		(1)	-	(2)	-
Repayment of lease liabilities		(730)	-	(1,711)	-
Decrease/(increase) in deposits pledged for bank facilities		1,021	(64)	1,480	(90)
Net cash flows (used in)/from financing activities		<u>(2,778)</u>	<u>5,847</u>	<u>(4,492)</u>	<u>8,665</u>
Net (decrease)/increase in cash and cash equivalents		<u>(1,048)</u>	<u>2,392</u>	<u>(9,546)</u>	<u>(3,690)</u>
Effect of exchange rate changes on cash and cash equivalents		(507)	283	(270)	184
Cash and cash equivalents at beginning of period		69,247	64,892	77,508	71,073
Cash and cash equivalents at end of period	(i)	<u>67,692</u>	<u>67,567</u>	<u>67,692</u>	<u>67,567</u>

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 30 Jun 19 S\$'000	As at 30 Jun 18 S\$'000
Cash at banks and in hand	51,912	50,818
Short-term deposits	16,955	19,375
	<u>68,867</u>	<u>70,193</u>
Less: Bank overdrafts	(406)	-
Less: Deposits pledged for bank facilities	(769)	(2,626)
Cash and cash equivalents	<u>67,692</u>	<u>67,567</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
Opening balance at 1 January 2019, as previously reported	27,984	98,631	(5,393)	121,222	177	121,399
Effect of adopting SFRS(I) 16	-	(176)	-	(176)	(3)	(179)
Opening balance at 1 January 2019, as restated	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
Total comprehensive income/(loss) for the period	-	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)
Total transactions with equity holders in their capacity as equity holders	917	-	(531)	386	(386)	-
Closing balance at 31 March 2019	28,901	98,689	(5,749)	121,841	(335)	121,506
Profit for the period	-	1,540	-	1,540	153	1,693
<u>Other comprehensive (loss)/income</u>						
Foreign currency translation	-	-	(708)	(708)	2	(706)
Other comprehensive (loss)/income for the period, net of tax	-	-	(708)	(708)	2	(706)
Total comprehensive income/(loss) for the period	-	1,540	(708)	832	155	987
<u>Contributions by and distributions to equity holders</u>						
Ordinary shares issued pursuant to performance share scheme	290	-	-	290	-	290
Dividends paid on ordinary shares	-	(3,029)	-	(3,029)	-	(3,029)
Total contributions by and distributions to equity holders	290	(3,029)	-	(2,739)	-	(2,739)
<u>Changes in ownership interests in subsidiaries</u>						
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(30)	(30)
Total changes in ownership interests in subsidiaries	-	-	-	-	(30)	(30)
Total transactions with equity holders in their capacity as equity holders	290	(3,029)	-	(2,739)	(30)	(2,769)
Closing balance at 30 June 2019	29,191	97,200	(6,457)	119,934	(210)	119,724

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					
	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 2018, as previously reported	27,710	97,507	(4,293)	120,924	1,126	122,050
Effect of adopting SFRS(l)	-	(1,825)	1,825	-	-	-
Opening balance at 1 January 2018, as restated	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
Total comprehensive income/(loss) for the period	-	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)
Total transactions with equity holders in their capacity as equity holders	-	-	-	-	(100)	(100)
Closing balance at 31 March 2018	27,710	96,127	(2,431)	121,406	756	122,162
Profit/(loss) for the period	-	2,509	-	2,509	(111)	2,398
<u>Other comprehensive loss</u>						
Foreign currency translation	-	-	(308)	(308)	(47)	(355)
Other comprehensive loss for the period, net of tax	-	-	(308)	(308)	(47)	(355)
Total comprehensive income/(loss) for the period	-	2,509	(308)	2,201	(158)	2,043
<u>Contributions by and distributions to equity holders</u>						
Ordinary shares issued pursuant to performance share scheme	274	-	-	274	-	274
Dividends paid on ordinary shares	-	(2,994)	-	(2,994)	-	(2,994)
Total contributions by and distributions to equity holders	274	(2,994)	-	(2,720)	-	(2,720)
<u>Changes in ownership interests in subsidiaries</u>						
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(12)	(12)
Total changes in ownership interests in subsidiaries	-	-	-	-	(12)	(12)
Total transactions with equity holders in their capacity as equity holders	274	(2,994)	-	(2,720)	(12)	(2,732)
<u>Other</u>						
Appropriation to statutory reserve fund	-	(146)	146	-	-	-
Total other	-	(146)	146	-	-	-
Closing balance at 30 June 2018	27,984	95,496	(2,593)	120,887	586	121,473

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 2019, as previously reported	27,984	34,892	(263)	62,613
Effect of adopting SFRS(I) 16	-	(6)	-	(6)
Opening balance at 1 January 2019, as restated	27,984	34,886	(263)	62,607
Loss for the period	-	(34)	-	(34)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	(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
Total transactions with equity holders in their capacity as equity holders	917	-	-	917
Closing balance at 31 March 2019	28,901	34,852	(263)	63,490
Profit for the period	-	3,568	-	3,568
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	3,568	-	3,568
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to performance share scheme	290	-	-	290
Dividends paid on ordinary shares	-	(3,029)	-	(3,029)
Total contributions by and distributions to equity holders	290	(3,029)	-	(2,739)
Total transactions with equity holders in their capacity as equity holders	290	(3,029)	-	(2,739)
Closing balance at 30 June 2019	29,191	35,391	(263)	64,319
Opening balance at 1 January 2018	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	-	-	-	-
Total comprehensive income for the period	-	1,677	-	1,677
Total transactions with equity holders in their capacity as equity holders	-	-	-	-
Closing balance at 31 March 2018	27,710	33,670	1,563	62,943
Profit for the period	-	4,495	-	4,495
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	4,495	-	4,495
<u>Contributions by and distributions to equity holders</u>				
Ordinary shares issued pursuant to performance share scheme	274	-	-	274
Dividends paid on ordinary shares	-	(2,994)	-	(2,994)
Total contributions by and distributions to equity holders	274	(2,994)	-	(2,720)
Total transactions with equity holders in their capacity as equity holders	274	(2,994)	-	(2,720)
Closing balance at 30 June 2018	27,984	35,171	1,563	64,718

- 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.**

Ordinary shares issued and fully paid-up	Number of shares	Issued and paid-up share capital S\$'000
Balance as at 31 March 2019	201,410,729	28,901
Ordinary shares issued pursuant to performance share scheme	<u>537,570</u>	<u>290</u>
Balance as at 30 June 2019	<u>201,948,299</u>	<u>29,191</u>

There were no outstanding convertibles issued by the Company as at 30 June 2019 and 30 June 2018.

There were no treasury shares held by the Company as at 30 June 2019 and 30 June 2018. There were no subsidiary holdings as at 30 June 2019 and 30 June 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 201,948,299 and 199,575,261 as at 30 June 2019 and 30 June 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.**

	Company	
	As at 30 Jun 19	As at 31 Dec 18
Total number of issued shares excluding treasury shares	<u>201,948,299</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 30 June 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 30 June 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 expense 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.

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
Net profit attributable to shareholders (S\$'000)	1,540	2,509	1,774	2,954
Weighted average number of ordinary shares in issue	201,700,190	199,390,039	201,099,927	199,249,332
Basic and diluted earnings per share (S\$ cents)	0.76	1.26	0.88	1.48

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2019 and 30 June 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.

	Group		Company	
	As at 30 Jun 19	As at 31 Dec 18	As at 30 Jun 19	As at 31 Dec 18
Net asset value, net of non-controlling interests (S\$'000)	119,934	121,222	64,319	62,613
Number of ordinary shares in issue, excluding treasury shares	201,948,299	199,575,261	201,948,299	199,575,261
Net asset value per ordinary share (S\$ cents)	59.39	60.74	31.85	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

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 19	30 Jun 18	+/-	30 Jun 19	30 Jun 18	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Exhibitions & Thematic	49,742	35,213	41.3%	83,142	65,071	27.8%
Retail & Corporate Interiors	41,534	45,005	-7.7%	79,280	69,928	13.4%
Research & Design	3,859	4,018	-4.0%	8,132	7,337	10.8%
Alternative Marketing	1,025	1,567	-34.6%	2,288	4,489	-49.0%
	96,160	85,803	12.1%	172,842	146,825	17.7%

For the second quarter ended 30 June 2019 ("2Q 2019"), the Group recorded a revenue of S\$96.2 million, an increase of S\$10.4 million or 12.1% compared to S\$85.8 million for the previous corresponding quarter ended 30 June 2018 ("2Q 2018"). This brought revenue for the half year ended 30 June 2019 ("1H 2019") to S\$172.8 million, an increase of S\$26.0 million or 17.7% compared to S\$146.8 million for the previous corresponding half year ended 30 June 2018 ("1H 2018"). The increase in revenue was mainly due to the contribution from several key events and projects in 1H 2019.

The **Exhibitions & Thematic division** registered a revenue of S\$83.2 million in 1H 2019, an increase of S\$18.1 million or 27.8% from S\$65.1 million in 1H 2018. In 2Q 2019, the division's revenue was S\$49.7 million, an increase of S\$14.5 million or 41.3% from S\$35.2 million recorded in 2Q 2018. The key contributors to the division's revenue included major events and projects such as Changi Experience Studio, Money 2020 Asia 2019, Shenzhen Binhai Tencent Exhibition Centre, Singapore Bicentennial Event, Singapore Motorshow 2019, SMBC Singapore Open 2019, TFWA Asia Pacific Exhibition & Conference 2019 and thematic projects in the region.

The **Retail & Corporate Interiors division** recorded a revenue of S\$79.3 million in 1H 2019, an increase of S\$9.4 million or 13.4% compared to S\$69.9 million in 1H 2018. In 2Q 2019, the division's revenue was S\$41.5 million, a decrease of S\$3.5 million or 7.7% compared to S\$45.0 million in 2Q 2018. The key accounts which contributed to the division's revenue included clients and brand names such as Coach, Fendi, 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\$8.1 million in 1H 2019, an increase of S\$0.8 million or 10.8% from S\$7.3 million in 1H 2018. In 2Q 2019, the division's revenue was S\$3.8 million, a decrease of S\$0.2 million or 4.0% from S\$4.0 million recorded in 2Q 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\$2.3 million in 1H 2019, a decrease of S\$2.2 million or 49.0% compared to S\$4.5 million in 1H 2018. In 2Q 2019, the division's revenue was S\$1.0 million, a decrease of S\$0.6 million or 34.6% compared to S\$1.6 million in 2Q 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

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 19	30 Jun 18	+/-	30 Jun 19	30 Jun 18	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	96,160	85,803	12.1%	172,842	146,825	17.7%
Gross profit	20,924	20,327	2.9%	38,759	35,698	8.6%
Gross profit margin	21.8%	23.7%		22.4%	24.3%	

Gross profit in 1H 2019 increased by S\$3.1 million or 8.6% to S\$38.8 million compared to S\$35.7 million in 1H 2018. Gross profit was higher at S\$20.9 million in 2Q 2019, an increase of S\$0.6 million or 2.9% from S\$20.3 million in 2Q 2018. The gross profit registered was due to higher revenue recorded but at a lower gross profit margin of 22.4% in 1H 2019 compared to 24.3% in 1H 2018 and 21.8% in 2Q 2019 compared to 23.7% in 2Q 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\$0.7 million or 29.0% from S\$2.5 million in 1H 2018 to S\$1.8 million in 1H 2019. In 2Q 2019, other income was S\$1.0 million, a decrease of S\$0.8 million or 45.1% compared to S\$1.8 million in 2Q 2018. The decrease was mainly due to a lower net foreign exchange gain recorded and an absence of service income, and partially offset by higher write-back of impairment loss on doubtful trade receivables.

Other Items of Expense

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 19	30 Jun 18	+/-	30 Jun 19	30 Jun 18	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	761	437	74.1%	1,590	959	65.8%
Employee benefits expense	14,650	14,616	0.2%	28,408	27,567	3.1%
Other expenses	3,834	3,768	1.8%	7,168	6,209	15.4%
Interest expense	424	190	123.2%	734	340	115.9%
	19,669	19,011	3.5%	37,900	35,075	8.1%

Higher operating expenses were incurred in 1H 2019 and 2Q 2019 compared to 1H 2018 and 2Q 2018 respectively. The higher depreciation charge on property, plant and equipment was mainly due to depreciation charge incurred on new addition of assets. 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 mainly due to the recognition of depreciation charge on right-of-use assets and higher expenses incurred such as upkeep and maintenance expenses and utilities, which were partially offset by the absence of operating lease expenses. The increase in interest expense was mainly due to a higher amount of loans and borrowings outstanding in 1H 2019 compared to 1H 2018 and the recognition of interest expense on lease liabilities.

- (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)

Share of Result of Joint Venture

Share of profit of joint venture amounted to S\$27,000 in 1H 2019 and S\$79,000 in 2Q 2019. The joint venture company was newly incorporated at end 2018.

Share of Results of Associates

Share of results of associates decreased by S\$0.3 million or 74.2% from S\$0.4 million in 1H 2018 to S\$0.1 million in 1H 2019 and by S\$0.1 million or 66.5% from S\$0.2 million in 2Q 2018 to S\$0.1 million in 2Q 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\$1.2 million or 39.9% from S\$3.0 million in 1H 2018 to S\$1.8 million in 1H 2019. Profit net of tax attributable to equity holders of the Company decreased by S\$1.0 million or 38.6% from S\$2.5 million in 2Q 2018 to S\$1.5 million in 2Q 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\$1.3 million in 1H 2019 mainly arose from profit before tax of S\$3.1 million and adjusted for a net increase in non-cash flow items of S\$4.3 million (largely from depreciation of property, plant and equipment and depreciation of right-of-use assets), and offset by cash outflow from a net increase in working capital requirements of S\$5.6 million (largely from movements in trade and other receivables, and trade and other payables) and income tax paid of S\$2.7 million. In 2Q 2019, net cash from operating activities of S\$3.9 million mainly arose from profit before tax of S\$2.6 million and adjusted for a net increase in non-cash flow items of S\$2.0 million (largely from depreciation of property, plant and equipment and depreciation of right-of-use assets), and partially offset by income tax paid of S\$0.8 million. Net cash used in investing activities of S\$3.8 million and S\$2.2 million in 1H 2019 and 2Q 2019 respectively mainly comprised of purchase of property, plant and equipment. Net cash used in financing activities of S\$4.5 million and S\$2.8 million in 1H 2019 and 2Q 2019 respectively mainly arose from dividends paid on ordinary shares, net repayment of loans and borrowings and repayment of lease liabilities, and partially offset by a decrease in pledged bank deposits. Based on the above, the Group had a net decrease in cash and cash equivalents of S\$9.6 million and S\$1.1 million in 1H 2019 and 2Q 2019 respectively. The cash and cash equivalents stood at S\$67.7 million as at 30 June 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 15 May 2019, the Group stated that, barring unforeseen circumstances, it expects FY2019 to be a profitable year. The 2Q 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 remains well-positioned to meet the evolving needs of its clients with its broad range of service offerings and expertise. The Group will continue to serve its clients in its core businesses while continuing to expand its reach and presence into the branded experiential attractions, focusing on the three broad areas of active play, edutainment and live events. The diverse industries that the Group serves and the ability to create and build unique and engaging experiences put the Group in a good position with opportunities for growth.

As at 31 July 2019, the Group has secured contracts of S\$320 million, of which S\$274 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?

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in SGD Cents)	1.00
Tax Rate	Tax exempt (one tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in SGD Cents)	1.00
Tax Rate	Tax exempt (one tier)

(c) Date payable

The above proposed dividends (the "Dividends") will be paid on 19 September 2019.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 6 September 2019 to determine shareholders' entitlements to the Dividends and for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5:00 p.m. on 5 September 2019 will be registered to determine shareholders' entitlements to the Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 5 September 2019 will be entitled to the Dividends.

12 **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

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 30 June 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 30 June 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

8 August 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

8 August 2019