

## **Immediate Release**

# **Cityneon Achieves Record First Half Year Net Profit**

### **Half-year highlights**

- **Group's net profit after tax for 1H2017 was S\$7.7 million, 64% higher than 1H2016 and surpassed its Full Year 2016 net profit after tax of S\$6.6 million**
- **Revenue for 1H2017 at S\$49.7 million, a 7% increase from S\$46.3 million in 1H2016**
- **Gross profit for 1H2017 stands at S\$23.2 million from S\$18.0 million in 1H2016 rising by 29%**
- **EBITDA at a record high of S\$12.1 million in 1H2017**
- **Operating Profit for 1H2017, coming in at S\$8.5 million, a 49% increase from 1H2016**

**SINGAPORE, 14 August 2017 – Mainboard-listed Cityneon Holdings Limited (SGX:5HJ)** (“Cityneon”, the “Company”, “城贸控股有限公司” or collectively with its subsidiaries, the “Group”), announced its half year results today. Posting a strong performance for the six months ended 30 June 2017 (“1H2017”), the growth was driven primarily by the contribution from its Intellectual Property Rights (“IPR”) segment.

The Group's net profit after tax was S\$7.7 million, a substantial increase of 64% above 1H2016 net profit of S\$4.7 million.

Another significant statistic is that the Group's EBITDA set a record high of S\$12.1 million in 1H2017, an increase of nearly 50% over 1H2016. The Group's EBITDA is also higher than the S\$8.7 million it pulled in during the entire year of 2016.

The Group's four other traditional businesses – Interior Architecture, Events, Exhibitions and Experiential Experience - also showed a positive turnaround in its half-year performance amidst competitive business environment in the sectors. This stronger performance was due to the positive effects of a cost rationalization exercise in 1H2017 and further consolidation of resources by focusing on key business areas.



**Cityneon Holdings Limited**  
Cityneon Design Centre  
84 Genting Lane #06-01  
Singapore 349584  
Tel: (65) 6571 6338  
Fax: (65) 6749 3633  
Registration No: 199903628E

## **Business Strategy for Growth**

The Group has recently announced the change of its board leadership to bring the Group into the new chapter.

The latest appointments come right after Lucrum 1 Investment Limited, a consortium led by Mr Ron Tan, Executive Chairman and Group CEO of Cityneon, acquired 52.51% shares held by Cityneon's previous major shareholder for S\$115,612,731 (approximately US\$84 million) in July 2017. Lucrum 1 Investment Limited now owns approximately 69%<sup>1</sup> of Cityneon and is the Group's largest shareholder. This will allow Mr Ron Tan to more effectively influence the strategy, expansion and future direction of the Company.

***Mr Ron Tan, Executive Chairman and Group CEO of Cityneon said, "We are delighted to be able to present a set of stellar half year results in this uncertain economy. This is even more remarkable because even though we had good results last year, we managed to surpass our net profits in 1H2017 above what we did in Full Year of 2016 fuelled by our IPR business."***

The Group is currently negotiating the acquisition of a third IPR – boosting its existing portfolio of its two Intellectual Properties; Avengers S.T.A.T.I.O.N. and Transformers' Autobot Alliance. This is expected to be completed by Q3 of FY2017.

The Group has also appointed Mr Welby Altidor, a 16-year veteran of Cirque Du Soleil's Executive Director of Creations, as its Group Chief Creative Officer in August this year. Mr Welby Altidor is tasked to ramp up the Group's creative bandwidth for both the IPR business and our traditional businesses; focusing primarily on experiential environment including theme parks and World Expo projects.

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<sup>1</sup> Lucrum 1 Investment Limited had, in accordance with Section 139 of the Securities and Futures Act (Chapter 289) of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers, made a mandatory unconditional cash offer ("Offer") for all the issued and paid up ordinary shares ("Shares") in the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it ("Offer Shares") at S\$0.90 per Offer Share. As at the date of this announcement, Lucrum 1 Investment Limited now owns approximately 69% of the Company and is currently the largest shareholder. As stated in the Offer Document, the Offeror does not intend to revise the Offer Price and therefore, in accordance with Rule 20.2 of the Code, the Offeror will not be allowed to subsequently amend the terms of the Offer, including the Offer Price. Further, as stated in the Offer Document, the Offer will close at 5.30 p.m. (Singapore time) on 29 August 2017 and the Offer will not be extended, revised or be open for acceptance beyond 5.30 p.m. (Singapore time) on 29 August 2017, save that such notice shall not be capable of being enforced in a competitive situation.

Shareholders should have, by now received a circular dated 10 August 2017 in relation to the Offer ("Offeree Circular"), containing, inter alia, the advice of the independent financial adviser to the directors of the Company who are considered independent for the purposes of making a recommendation to Shareholders in respect of the Offer ("Independent Directors") and the recommendations of the Independent Directors on the Offer. Shareholders are advised to consider the information included in the Offeree Circular.



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### **Directors' Responsibility Statement**

The directors of the Company (including those who have delegated detailed supervision of this press release) jointly and severally accept full responsibility for the accuracy of the information given in this press release and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, the facts stated and opinions expressed in this announcement are fair and accurate and have been arrived at after due and careful consideration, and the directors of the Company are not aware of any facts the omission of which would make any statement in this press release misleading.

Where information in this press release has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

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### **About Cityneon Holdings Limited**

As a leading service agency, Cityneon specialises in crafting quality customer and brand experiences in the fields of Intellectual Property Rights, Interior Architecture, Events, Exhibitions and Experiential Experience, working with governments, businesses, brands and organisations worldwide.

Cityneon is committed to high excellence, good quality, precision and creativity, and is uniquely proficient in the conceptualisation and creation of immersive attractions, theme parks and exhibitions featuring state-of-the-art technologies and immersive storytelling. Some of its past creations include the Marvel Avengers S.T.A.T.I.O.N. exhibition and the award-winning Sultanate of Oman National Pavilion at Expo Milano 2015, completed by Cityneon's Middle Eastern office.

With its global reach and international partnerships, Cityneon has the capability to serve its clients anywhere in the world. Cityneon (SGX:5HJ) has been listed on the Mainboard of the



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Singapore Stock Exchange since 2005, and is included in the Morgan Stanley Capital International, Inc (NYSE: MSCI) and MSCI Global Micro Cap Indexes—Singapore Index. For more information, please visit [www.cityneon.net](http://www.cityneon.net).

### **About Victory Hill Exhibitions Pte Ltd**

Victory Hill Exhibitions is an exhibition, production and distribution company that delivers engaging, educational and immersive attractions for the global market. It is the industry leader in the creating and delivery of innovative, captivating content for events, immersive attractions, interior architecture and experiential environmental spaces.

VHE builds long-term strategic relationships of trust through the delivery of some of the most remarkable, critically acclaimed exhibitions in the world to the museum and entertainment industries. With the latest in technology and the finest in storytelling skill, its events are visually fascinating, educational, and utterly entertaining, enjoyed by visitors of all walks and ages.

VHE has also established strong working partnerships with major movie studios through movie franchise exhibitions like the SBR International Business Award-winning *Marvel Avengers S.T.A.T.I.O.N.* with Disney's Marvel Studios (New York, Seoul, Paris, Las Vegas, Singapore, Beijing and Taipei), and Hasbro's *Transformers Autobot Alliance* experience, to be launched in China later in 2017.

Victory Hill is wholly-owned subsidiary of Cityneon Holdings Limited, a company listed on the mainboard of the Singapore Stock Exchange. For more information, please visit [www.victoryhillexhibitions.com](http://www.victoryhillexhibitions.com).

### **For investor relations and media inquiries, please contact:**

Issued By : Cityneon Holdings Limited  
Contact : Ms Emily Choo | Head, Corporate Development & Investor relations  
Email /Mobile : emily.choo@cityneongroup.com / (65) 9734 6565  
Website : <http://cityneon.net/investor-relations/>

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