



CITYNEON HOLDINGS LIMITED

Company Registration No. 199903628E

For Immediate Release

Cityneon to acquire exclusive rights to travelling exhibition for Marvel Characters

- *Enters into S&P Agreement to acquire 100% of the issued share capital of exhibition producer, Victory Hill Exhibitions Pte. Ltd.*
- *Victory Hill has strong management track record of delivering exhibitions, including "Marvel's The AVENGERS S.T.A.T.I.O.N"*
- *Proposed 1-for-1 non-underwritten renounceable rights issue of 88,525,400 new shares at S\$0.18 per share to partially fund the acquisition*

Singapore – 2 April 2015 – Leading provider of solutions for Interior Architecture, Experiential Environment, Events and Exhibitions, Cityneon Holdings Limited (the "Company" or "Cityneon" and together with its subsidiaries, the "Group"), announced today that it has entered into a sale and purchase agreement (the "S&P Agreement") with Philadelphia Investments Ltd. (the "Vendor") to acquire the entire share capital of Victory Hill Exhibitions Pte. Ltd. ("Victory Hill"), comprising 100,000 ordinary shares.

The purchase consideration will consist of S\$10.0 million in cash, and the issuance of 45 million new shares of the Company at S\$0.20 per share, upon completion of the purchase. A deferred payment of S\$2.0 million and a variable incentive payment will be payable upon Victory Hill achieving certain profit targets by 30 June 2016. Two further variable incentive payments are payable for profit targets achieved by 30 June 2017 and 30 June 2018 respectively, and will be paid in accordance to the terms of the S&P Agreement.

Based on an independent valuation by Ernst & Young Solutions LLP as at 15 January 2015, the indicative fair market value of the shares of Victory Hill was within the range of US\$15.4 million to US\$18.4 million (equivalent to S\$21.1 million to S\$25.2 million respectively).

Upon completion of the acquisition, Victory Hill will become a wholly-owned subsidiary of the Company, with its primary business being the development and production of exhibitions. The new subsidiary will also hold the right to produce and operate the travelling exhibition Marvel's The AVENGERS S.T.A.T.I.O.N (Scientific Training and Tactical Intelligence Operative Network) (the "Exhibition"). The Exhibition is an immersive experience that brings visitors into the world of The Avengers, and is an interactive exhibit.

Victory Hill, together with a partner, first premiered the Exhibition in New York City, USA at Discovery Times Square on 30 May 2014. The Exhibition is slated to run until 24 May 2015, with ongoing discussions for an option to extend until December 2015 or January 2016.



Images courtesy of Victory Hill Exhibitions, LLC

Mr Lew Weng Ho, Non-Executive Chairman for Cityneon explained: “We have always been hunting for interesting and complementary plays to add to our business mix. Other than increasing our global footprint and diversifying our revenue streams, the Board is convinced that the acquisition of Victory Hill will bring us to a new level of providing exhibition services and add significant value to our global offering.”

“Both our brands share good synergies, and by injecting Victory Hill’s specialty expertise in travelling exhibitions, as well its extensive relationship which it has built with global brands such as Marvel, we can now join hands to hone our capabilities in our core businesses. In addition, the acquisition will allow us a chance to enlarge our equity base, and we believe that the increased economies of scale are also likely to generate improvements in operational efficiencies.”

Victory Hill: its legacy and growth plans

Victory Hill was incorporated in Singapore on 12 December 2014 as a private limited company. Backed by a strong management track record for producing exhibitions for the museum and entertainment industries, Victory Hill Exhibitions, LLC primarily develops and produces exhibitions. It will transfer specific assets to Victory Hill, prior to completion of the S&P Agreement, and such assets include the Exhibition, which was produced under the direction of Victory Hill's in-house creative team.

Mr Ron Tan, Chief Executive Officer of Victory Hill, said “We’re extremely pleased to have found a like-minded partner in Cityneon, and our combined expertise in producing quality exhibitions will no doubt be now fortified. Looking ahead, we plan to bring the production of Marvel's The AVENGERS S.T.A.T.I.O.N into major science museums across the world. Besides New York where the Exhibition is currently held, we have also started talks with other potential partners in other cities in Asia and in the USA.”

Victory Hill Exhibitions, LLC, inked a license agreement ("License Agreement") with Marvel Characters B.V. ("Marvel Characters") on 31 January 2013 for the right to provide exhibition services for Marvel, and is permitted to use the Marvel name and intellectual property rights in connection with the development, building, operation, marketing and promotion of Marvel exhibits for display in museums and science centres or other similar venues to be approved by Marvel Characters.

It also holds merchandising rights to manufacture, distribute and/or sell Marvel merchandise at the Exhibition, and to operate retail outlets within such exhibition spaces during the Exhibition's tour in the USA and in Canada.

"Meanwhile, we are looking to secure an extension to our License Agreement, so that we can share this meaningful exhibition with more people around the world. We are also moving to develop our business beyond the Exhibition, and are initiating discussions with other partners to create similar exhibitions around other blockbuster movies which have been well received by audiences globally," explained Mr Tan.



Images courtesy of Victory Hill Exhibitions, LLC

1-for-1 Rights Issue Exercise

To partially fund the Purchase Consideration, the Company is proposing a 1-for-1 rights issue at an exercise price of S\$0.18 per share. This exercise price represents a 30.8% discount to Cityneon's share price of S\$0.26 as at the close of trading on 1 April 2015.

Based on the issued share capital of the Company of 88,525,400 Shares, and assuming that no employee share options are exercised, the Group will raise up to S\$15.1 million in net proceeds if all rights are fully subscribed.

Further details on the Acquisition and the Rights Issue will be set out in the circular to Shareholders which will be issued to Shareholders in due course, together with a notice of the EGM that the Company proposes to convene for the purpose of seeking the Shareholders' approvals in connection with the Acquisition and the Rights Issue.

This press release should be read in conjunction with the announcement released by Cityneon Holdings Limited on 2 April 2015. A copy of the announcement is available on www.sgx.com.

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About Cityneon Holdings Limited

Cityneon is a leading service provider of creative solutions in the area of Interior Architecture, Events, Exhibitions and all manner of Experiential Environment to global corporations, brands, businesses, government and international agencies worldwide. Creating unforgettable experiences through creativity, production quality, precise execution and delivery excellence.

Cityneon has also developed very specialized expertise in the area of conceptualizing, designing and building of Museums, Galleries, Themed Parks and Attractions, including National Pavilions at World Expositions. Through immersive storytelling, using state-of-the art technologies, Cityneon creates breathtaking and emotionally stirring experiences.

The Group's network across the world, together with our international partnerships, provides the company the opportunity to serve its clients globally.

Issued for and on behalf of Cityneon Holdings Limited

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