

PRE-CONDITIONAL MANDATORY GENERAL CASH OFFER

by

LUCRUM 1 INVESTMENT LIMITED
(Incorporated in the British Virgin Islands)
(Company Registration No.: 1942309)

to acquire all of the issued ordinary shares in the capital

of
CITYNEON HOLDINGS LIMITED
(Incorporated in Singapore)
(Company Registration No.: 199903628E)

other than those already owned, controlled or agreed to be acquired
by the Offeror and parties acting in concert with it.

1. INTRODUCTION

1.1. Pre-conditional Mandatory General Cash Offer

Lucrum 1 Investment Limited (the “**Offeror**”) wishes to announce that, subject to the completion (“**Completion**”) of the Acquisition (as defined in paragraph 1.2.2 below) upon fulfillment of the conditions precedent in the Share Purchase Agreement (as defined in paragraph 1.2.1 below), in accordance with Rule 14 of the Singapore Code on Take-overs and Mergers (“**Code**”), the Offeror is required and intends, on Completion, to make a mandatory general cash offer (“**Offer**”) for all the issued and paid up ordinary shares (“**Shares**”) in the capital of Cityneon Holdings Limited (“**Company**”) other than those already owned, controlled or agreed to be acquired by the Offeror and its concert parties (“**Offer Shares**”).

THE OFFER WILL NOT BE MADE UNLESS AND UNTIL THE PRE-CONDITION (AS SET OUT IN PARAGRAPH 1.2.2(G)) ARE FULFILLED AND COMPLETION OCCURS. ACCORDINGLY, ALL REFERENCES TO THE OFFER IN THIS ANNOUNCEMENT REFER TO THE POSSIBLE MANDATORY GENERAL CASH OFFER WHICH WILL ONLY BE MADE IF AND WHEN THE PRE-CONDITION IS FULFILLED AND COMPLETION OCCURS IN ACCORDANCE WITH THE TERMS OF THE SHARE PURCHASE AGREEMENT.

SHAREHOLDERS OF THE COMPANY SHOULD EXERCISE CAUTION AND SEEK APPROPRIATE INDEPENDENT ADVICE WHEN DEALING IN THE SHARES.

1.2. The Acquisition

1.2.1. On 12 May 2017, the Offeror entered into a conditional share purchase agreement (“**Share Purchase Agreement**”) with Laviani Pte. Ltd. (“**Vendor**”) for the sale by the Vendor and purchase by the Offeror of 128,458,590 Shares (“**Sale Shares**”), representing approximately 52.51% of the issued and paid-up share capital of the Company as at the date of this announcement (“**Acquisition**”). Subject to the Pre-Condition being fulfilled, the Offeror will make the mandatory general cash offer under Rule 14 of the Code for the Offer Shares. The Offeror will therefore make the Offer under Rule 14 of the Code for the Offer Shares upon Completion.

1.2.2. The salient terms of the Share Purchase Agreement are as set out below:

- (a) Subject to the terms and conditions of the Share Purchase Agreement, the Vendor shall, as legal and beneficial owner of the Sale Shares, sell the Sale Shares, and the Offeror shall, relying on the warranties set out in the Share Purchase Agreement, purchase the Sale Shares free from all encumbrances with all rights, title and interest in and to the Sale Shares attaching to them as at completion of the Acquisition (“**Completion**”).

- (b) The aggregate consideration payable for the Sale Shares shall be S\$115,612,731 in cash, being S\$0.90 in cash for each Sale Share ("**Consideration**").
- (c) The Offeror shall cause to be held in escrow a sum of US\$17,000,000 ("**Deposit Sum**") to be paid into an account of Dentons Rodyk & Davidson LLP ("**Escrow Agent**") maintained with Standard Chartered Bank Singapore ("**Deposit Account**"), in accordance with the terms and conditions of an escrow agreement entered into between the Offeror, the Vendor and the Escrow Agent ("**Escrow Agreement**"). Operation of the Deposit Account shall be in accordance with the terms and conditions of the Escrow Agreement.
- (d) The Deposit Sum shall be refunded to the Offeror in the event that the requisite approval of the shareholders of Star Media (as defined herein) is not obtained at the Star Media EGM (as defined herein).
- (e) In the event the Share Purchase Agreement is terminated by the Vendor due to a default by the Offeror under the Share Purchase Agreement, 20.0% of the Consideration shall be forfeited and retained by the Vendor and the remaining amount of the Deposit Sum, if any, shall be refunded to the Offeror. In the event that the amount received by the Vendor from the Escrow Agent is less than 20.0% of the Consideration, the Offeror shall pay to the Vendor the difference between the amount received by the Vendor from the Escrow Agent, and the 20.0% of the Consideration, within three (3) business days from the day the amount is received by the Vendor.
- (f) The Deposit Sum shall be released to the Vendor by the Escrow Agent in accordance with the terms of the Escrow Agreement on the date falling three (3) business days after the Pre-Condition is satisfied (or expressly waived by the Offeror, as the case may be) and the Offeror and the Vendor shall give joint instructions to the Escrow Agent in accordance with the terms of the Escrow Agreement.
- (g) Completion is subject to the approval by the shareholders of Star Media Group Berhad ("**Star Media**") at an EGM to be convened by Star Media ("**Star Media EGM**") of, among others, the Acquisition ("**Pre-Condition**").
- (h) In the event that the Pre-Condition is not satisfied or expressly waived by the Offeror by 6 pm on 31 October 2017 ("**Long Stop Date**"), then the non-defaulting party shall not be bound to proceed with Completion and except for (i) certain provisions in the Share Purchase Agreement expressed to survive termination; and (ii) any rights or liabilities which have already accrued under the Share Purchase Agreement, the Share Purchase Agreement shall lapse without any of the parties being liable to any other party in any way whatsoever.
- (i) the Offeror shall pay to the Vendor the Consideration less the Deposit Sum ("**Balance Consideration**"), by the transfer of the Balance Consideration into a bank account designated by the Vendor and as notified in writing to the Offeror on Completion Date.
- (j) Subject to evidence of payment of the Consideration (less the Deposit Sum) on the date of completion of the Acquisition ("**Completion Date**"), the Vendor shall procure and ensure the execution of board resolutions appointing a nominee of the Offeror as a director of the Company, provided always that the Offeror has informed the Vendor of its nominee within 14 business days from the date of the Share Purchase Agreement, and save that if such appointment is prohibited by the Code and/or the Securities Industry Council, such appointment shall take place as soon as allowed under the Code and/or by the Securities Industry Council.
- (k) The Vendor undertakes to procure the execution by the Malaysian Chinese Association of an irrevocable undertaking pursuant to which it undertakes to vote, and to procure its nominee(s) and proxies (if any) to vote, all of its shares in the capital of Star Media in favour of the resolutions to be put forth to the shareholders of Star Media at the Star Media EGM.

2. THE OFFER

- 2.1. In accordance with Section 139 of the Securities and Futures Act (Chapter 289) of Singapore and Rule 14 of the Code, and subject to the fulfillment of the Pre-Condition and Completion, the Offeror will make the Offer for the Offer Shares on Completion on the following basis:

For each Offer Share: S\$0.90 in cash (“Offer Price”)

The Offer, if and when made, will be unconditional in all respects.

- 2.2. The Offer Shares will be acquired (i) fully paid; (ii) free from any mortgage, debenture, lien, charge, pledge, title retention, right to acquire, security interest, option, pre-emptive or similar right, right of first refusal and any other encumbrance or condition whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the date of this Announcement. If any dividend, or other distribution or return of capital is announced, declared, paid or made on or after the date of this Announcement, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.

The Offer will not be made unless the Pre-Condition is fulfilled and Completion occurs.

- 2.3. The Offeror will be making an application to the Securities Industry Council prior to making of the Offer.

3. ANNOUNCEMENT OF THE OFFER AND THE DESPATCH OF THE OFFER DOCUMENT

If and when the Pre-Condition is fulfilled and Completion occurs, the Offeror will immediately announce the firm intention on the part of the Offeror to make the Offer (“**Offer Announcement**”). The offer document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer (“**Offer Document**”) will be dispatched to holders of the Offer Shares not earlier than 14 days and not later than 21 days after the date of the Offer Announcement.

However, if the Pre-Condition is not fulfilled on or before 31 October 2017 (or such other date as the Vendor and the Offeror may agree in writing) and Completion does not occur, the Offer will not be made and the Offeror will issue an announcement confirming the fact as soon as reasonably practicable.

4. INFORMATION ON THE OFFEROR

- 4.1. The Offeror is an investment holding company incorporated in the British Virgin Islands. The Offeror is a special purpose vehicle for the purpose of making the Offer.
- 4.2. The shareholders of the Offeror are Massive Right Investments Limited, a company incorporated in the British Virgin Islands, Philadelphia Investments Ltd., a company incorporated in the British Virgin Islands, and Mutual Power International Limited, a company incorporated in Hong Kong, which own 76.0%, 15.5% and 8.5% of the Offeror respectively.
- 4.3. Massive Right Investments Limited is an investment holding company. The sole ordinary shareholder and director of Massive Right Investments Limited is Mr. Geng Zhihua. Mr Geng Zhihua founded Massive Right Investments Limited in 2015 to invest in high growth potential companies. He has many years of experience in investment, including but not limited to private equity, securities and futures investments. In addition, Massive Right Investments Limited has also entered into two (2) redeemable preference share subscription agreements on 13 April 2017 with each of Hua Yuan Fund Limited and He Jun Fund Limited, for an aggregate principal amount of US\$199.0 million. Hua Yuan Fund Limited and He Jun Fund Limited are exempt companies incorporated in the Cayman Islands, and are both managed by Long Yuan Fund Management Limited.

- 4.4. Mutual Power International Limited is a special purpose vehicle held solely by Jumpwide Limited. Jumpwide Limited is a wholly-owned subsidiary of Jin Bao Bao Holdings Limited, a company listed on the Hong Kong Stock Exchange. Its sole director is Mr. Ngai Mei, a nominee of Jin Bao Bao Holdings Limited. Jin Bao Bao Holdings Limited is currently principally engaged in (a) the design, manufacture and sale of packaging products and structural components in the People's Republic of China, (b) provision of corporate secretarial and consultancy services, and (c) property investment.
- 4.5. Philadelphia Investments Ltd., is a special purpose vehicle held solely by Mr. Tan Aik Ti, Ron ("**Mr. Ron Tan**"). Mr. Ron Tan is a director and shareholder of the Company, who holds approximately 16.4% of the issued and paid up share capital of the Company. The sole director of Philadelphia Investments Ltd. is Mr. Ron Tan.
- 4.6. Massive Right Investments Limited and Mutual Power International Limited (collectively, the "**Financial Investors**") are independent third parties, who are financial investors for the purposes of the Offer. Massive Rights Investments Limited and Mutual Power International Limited were introduced to Mr. Ron Tan by ZHJ Capital Limited. ZHJ Capital Limited is a Hong Kong based investment management and financial services firm specialized in media, entertainment and sports industries.

5. INFORMATION ON THE COMPANY

5.1. The Company was incorporated in Singapore in 1999 and whose shares have been quoted and traded on the SGX-ST since 7 December 2005, first on SGX Sesdaq, before transferring to the Main Board of the SGX-ST on 22 January 2008.

5.2. As set out in the Company's annual report for the financial year ended 31 December 2016 ("**AR2016**"), the Company and its subsidiaries ("**Group**") is involved in the following business segments:.

- Experiential Environment – comprises architectural facades, scenic fabrication, sculptures, scaled models, wall reliefs and murals, replicas, show sets and props, artistic painting, landscaping to theme park and attractions, expositions and museums and galleries;
- Interior Architecture – comprises conceptualise, design and interior fitting-out services to commercial properties, healthcare, hospitality services industry, show rooms and retail outlets;
- Exhibitions – comprise design, fabrication, installation and project management of customized exhibition booths and pavilions, rental of re-usable exhibition booths, pavilion modules, furniture and furnishings and the provision of ancillary services in electrical services and environmental graphics;
- Events – provide assistance in creating, developing, organizing, hosting and managing events as a supporting service in collaboration with customers or on a turnkey basis where it is responsible for every aspect of events; and
- Intellectual Property Rights – produce innovative and captivating contents for exclusive license-held showcases through exhibitions for audiences and distributes into global territories.

5.3. As at the date of this Announcement, the directors of the Company are Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan (Non-Executive Chairman), Mr. Ron Tan (Executive Director and Group Chief Executive Officer), Datuk Seri Wong Chun Wai (Non-Executive Director), Ng Fook Ai Victor (Non-Executive Director), Datuk Roger Tan Kor Mee (Independent Director), Dato' Lee Yeow Chor @ Lee Yew Meng (Independent Director), Tang Nai Soon (Independent Director) and Ragesh Rajendran (Alternate Director to Datuk Seri Wong Chun Wai).

6. RATIONALE FOR THE OFFER AND OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

- 6.1. Through the Acquisition, Mr. Ron Tan, with the support of the Financial Investors, had acquired the Shares of the Vendor by way of a management buy-out exercise. Upon Completion and after the Offer, Mr. Ron Tan will be able to more effectively influence the strategy, expansion and future direction of the Company through the Offeror and with the support of the Financial Investors.
- 6.2. Subject to fulfillment of the Pre-Condition and Completion, in accordance with Section 139 of the Securities and Futures Act (Chapter 289) of Singapore and Rule 14 of the Code, the Offeror is required to make the Offer.

7. LISTING STATUS

- 7.1. Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and his concert parties to above 90% of the total number of Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of Shares (excluding any Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGXST will suspend trading of the Shares only at the close of the Offer. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares (excluding any Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGXST may agree, to raise the percentage of Shares (excluding any Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGXST.
- 7.2. **It is the present intention of the Offeror to maintain the listing status of the Company on the SGX-ST. Accordingly, the Offeror does not intend to exercise any right of compulsory acquisition under section 215 of the Companies Act (Chapter 50) of Singapore in the event that it receives acceptances pursuant to the Offer representing 90% or more of the Offer Shares.**
- 7.3. However, in the event that the percentage of Shares (excluding any Shares held in treasury) held in public hands falls below 10% and the SGX-ST suspends trading of the Shares, the Offeror reserves the right to re-evaluate its position, taking into account, amongst other things, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. Accordingly, **there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the public float of the Company is less than 10%.**

8. FINANCIAL

The Offer Price represents the following discount / (premium) over the benchmark prices of the Offer Shares as listed below:-

Description	Benchmark price (S\$) ⁽¹⁾	Discount / (premium) over
(i) Last transacted price on 5 May 2017, being the last transacted price and latest practicable date (" Latest Practicable Date ") prior to the date of this Announcement	0.955	5.76%
(ii) Volume-weighted average price (" VWAP ") for the one-week period up to the Latest Practicable Date	0.9079	0.87%

(iii) VWAP for the one-month period up to the Latest Practicable Date	0.894	(0.67%)
(iv) VWAP for the three-month period up to the Latest Practicable Date	0.8661	(3.91%)
(v) VWAP for the six-month period up to the Latest Practicable Date	0.8971	(0.32%)

Note:-

(1) The figures set out in this paragraph above are based on data extracted from Bloomberg.

9. DISCLOSURES

- 9.1. Save as disclosed in **Schedule 1** of this Announcement, none of the Offeror and persons acting in concert with it (each a “**Relevant Person**”) holds any Shares as at the date of this Announcement.
- 9.2. Saved as disclosed in this Announcement and for the Sale Shares and based on the latest information available to the Offeror, none of the Relevant Persons owns, controls, or has agreed to acquire any (a) Shares, (b) securities which carry voting rights in the Company, or (c) convertible securities, warrants, options or derivatives in respect of the such Shares or securities (collectively the “**Company Securities**”).
- 9.3. As at the date of this Announcement, none of the Relevant Persons has dealt for value in any Company Securities during the six-month period immediately preceding the date of this Announcement.
- 9.4. As at the date of this Announcement, none of the Relevant Persons has entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Offer.
- 9.5. As at the date of this Announcement, none of the Relevant Persons has (a) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise, (b) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or (c) lent any Company Securities to another person.
- 9.6. In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other persons who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures (if any) will be made in due course subsequently and in the Offer Document.
- 9.7. As at the date of this Announcement, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Offer.

10. OVERSEAS JURISDICTIONS

- 10.1. This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer, if made, will be made solely by the Offer Document and the forms of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer (if and when made) is open to all Shareholders holding Offer**

Shares, including those to whom the Offer Document and relevant forms of acceptance may not be sent.

- 10.2. The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions in which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.
- 10.3. Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.
- 10.4. The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.
- 10.5. The ability of the Shareholders who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

11. CAUTIONARY NOTE

There is no assurance that the Acquisition and/or the Offer will proceed. Shareholders and potential investors should exercise caution when trading in the Company's Shares, and where in doubt as to the action they should take, they should consult their stockbroker, bank manager, accountant, solicitor, tax adviser or other professional advisers.

12. RESPONSIBILITY STATEMENT

The directors of the Offeror (who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company (including without limitation, in relation to the Company), the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquires that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement in its proper form and context.

THE BOARD OF DIRECTORS
LUCRUM 1 INVESTMENT LIMITED

12 May 2017

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "shall", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions

or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Offeror does not undertake any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

Any enquiries relating to this Announcement or the Offer should be directed during office hours to: projectsugarcane@twobirds.com.

SCHEDULE 1

DETAILS OF HOLDINGS OF SHARES BY THE RELEVANT PERSONS

As at the date of this Announcement, the following Relevant Persons hold Shares, details of which are set out below:

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr. Ron Tan	-	-	40,000,000 ⁽²⁾	16.35 ⁽²⁾
Philadelphia Investments Ltd.	14,000,000	5.72	-	-
IGV 33 Investments Ltd.	26,000,000	10.63	-	-

Notes:

- (1) The percentage shareholding is based on a total issued share capital of the Company of 244,656,195 Shares.
- (2) Mr. Ron Tan is deemed to be interested in 14,000,000 Shares and 26,000,000 Shares held by Philadelphia Investments Ltd. and IGV 33 Investments Ltd. respectively, by virtue of his 100.0% shareholding in each of Philadelphia Investments Ltd. and IGV 33 Investments Ltd.