

CITYNEON HOLDINGS LIMITED
(Registration Number: 199903628E)

PROPOSED PLACEMENT OF UP TO 40,000,000 ORDINARY SHARES IN THE CAPITAL OF CITYNEON HOLDINGS LIMITED AT A PLACEMENT PRICE OF S\$0.55 PER SHARE

(A) PLACEMENT OF NEW SHARES

The Board of Directors ("**Board**" or "**Directors**") of Cityneon Holdings Limited ("**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 5 May 2016 entered into a placement agreement ("**Placement Agreement**") with UOB Kay Hian Private Limited as placement agent ("**Placement Agent**").

Pursuant to the Placement Agreement, the Company has agreed to issue up to 20,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**") at a placement price of S\$0.55 ("**Placement Price**") for each Placement Share ("**Placement**") and the Placement Agent has agreed to procure the subscription and payment for, the Placement Shares at the Placement Price for each Placement Share on a best efforts basis. A placement commission of 3.0% of the Placement Price for each Placement Share subscribed, is payable by the Company to the Placement Agent pursuant to the Placement Agreement. The Placement is non-underwritten.

The Placement Shares

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Chapter 289) of Singapore, and/or accredited investors pursuant to Section 275 of the Securities and Futures Act (Chapter 289) of Singapore.

Conditions precedent and other salient terms

The Placement is conditional upon, *inter alia* the approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST.

The Company will be making an application to the SGX-ST for the listing of and quotation for the Placement Shares on the Official List of the SGX-ST. None of the Placement Shares will be placed to persons within the categories as set out in Rule 812(1) of the Listing Manual of the SGX-ST.

An announcement will be made in due course to notify the shareholders of the Company when the approval of the SGX-ST has been obtained.

The Placement Shares are intended to be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 22 April 2016 which authorises the Directors of the Company pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore and Rule 806 of the Listing Manual of the SGX-ST, to allot and issue new shares up to 20% of the Company's issued share capital if not on a pro-rata basis to existing shareholders of the Company. Assuming that the Placement is fully subscribed, the Placement Shares will represent approximately 8.92% of the Company's existing issued and paid up share capital of 224,291,195 ordinary shares as at the date of this announcement. The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares of the Company.

Upon completion of the Placement and assuming the Placement is fully subscribed, the issued and paid up share capital of the Company will increase to 244,291,195 ordinary shares and the

Placement Shares will represent approximately 8.19% of the Company's enlarged share capital after completion of the Placement.

The Placement Price

The Placement Price of S\$0.55 for each Placement Share represents a discount of approximately 5.3% to the weighted average price of S\$0.5806 for trades done on the Company's shares on the SGX-ST for the full market day on 29 April 2016 and up to trading halt on 3 May 2016. The Company has effected the aforementioned trading halt of its shares on 3 May 2016 at 9.07 a.m..

Financial Effects

Solely for illustration purposes only and may not be reflective of the actual future financial situation of the Group upon actualisation, the effects of the Placement on the net tangible asset per share and earnings per share of the Group for the financial year ended 31 December 2015 are set out in the table below:

	Before the Placement	After the Placement
Effect of the Placement on the net tangible asset per share (" NTA ") (cents)	22.4	25.0 ⁽¹⁾
Effect of the Placement on the earnings per share (" EPS ") (cents)	0.7	0.6 ⁽²⁾

Notes:

1. Pro forma NTA after the Placement was computed based on the assumption that the Placement was completed on 31 December 2015.
2. Pro forma EPS after the Placement was computed based on the assumption that the Placement was completed on 1 January 2015.

Use of Net Proceeds

Assuming the Placement is fully subscribed, the estimated net proceeds from the Placement (after deducting estimated expenses pertaining to the Placement of approximately S\$0.4 million to be borne by the Company) will be approximately S\$10.6 million ("**Net Proceeds**").

The Company intends to allocate the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$'000)	Percentage Allocation (%)
New immersive attraction sets builds	5,000	47.2
Business expansion into China	3,000	28.3
General working capital (including expansion of management and creative team)	2,600	24.5
Total	10,600	100

Pending the deployment of the proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or

marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

Interest of Directors and Substantial Shareholders

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Placement.

(B) PLACEMENT OF VENDOR SHARES

The Board also wishes to announce that it has been informed that Laviani Pte Ltd ("**Laviani**") and IGV33 Investments Ltd ("**IGV33**" and together with Laviani, the "**Vendors**") have on 5 May 2016 entered into separate placement agreements ("**Vendor Placement Agreements**") with the Placement Agent. Based on information available to the Company, Laviani and IGV33 have agreed to sell up to 15,000,000 and 5,000,000 existing ordinary shares in the capital of the Company (the "**Vendor Shares**") legally and beneficially owned by them, respectively, at the Placement Price for each Vendor Share and the Placement Agent has agreed to procure the purchase and payment for, the Vendor Shares at the Placement Price for each Vendor Share on a best efforts basis. A placement commission of 3.0% of the Placement Price for each Vendor Share purchased, is payable by the Vendors to the Placement Agent pursuant to the Vendor Placement Agreements. The Vendors will bear their respective costs and expenses incurred in relation to the sale of the Vendor Shares.

Laviani is a controlling shareholder of the Company, holding 143,458,590 ordinary shares which represents 63.96% of the Company's existing issued and paid up share capital as at the date of this announcement. The entire issued share capital of Laviani is owned by Star Media Group Berhad ("**Star Media**"), a company listed on the Bursa Malaysia Securities Berhad. Mr Lew Weng Ho, the non-executive Chairman of the Company, is an independent non-executive director of Star Media. Datuk Seri Wong Chun Wai, a non-executive Director of the Company, is the group managing director and chief executive officer of Star Media and Mr Chan Shiang Chiat, the alternate Director to Datuk Seri Wong Chun Wai, is the senior general manager, finance (subsidiaries) of Star Media.

IGV33 is a substantial shareholder of the Company, holding 31,000,000 ordinary shares which represents 13.82% of the Company's existing issued and paid up share capital as at the date of this announcement. The entire issued share capital of IGV33 is owned by Mr Tan Aik Ti, Ron, who is an executive Director of the Company.

BY ORDER OF THE BOARD

Cho Form Po
Company Secretary
5 May 2016