



**Cityneon Holdings Limited**  
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## **Immediate Release**

# **Cityneon reports record full year net profit**

**- a 693 % increase from FY2015**

### **Full-year highlights**

- **Group's revenue is unchanged at S\$96.8 million, with the newly acquired Intellectual Property Right ("IPR") segment contributing 18.3% of the total revenue**
- **72.8% of the Group's Revenue was contributed outside of Singapore**
- **Net Profit after tax increased S\$5.8 million to S\$6.6 million, up by a significant 693% from previous years**
- **EBITDA increased S\$9.7 million to S\$12.4 million from S\$2.7 million in FY2015, surged by 359%**
- **Earnings Per Share ("EPS") increased from 0.7 cents to 2.8 cents, a considerable increase of 300% Y-O-Y**
- **Gross Profits Margins increased by 40% Y-O-Y, primarily due to high IPR's Gross Profits Margins of 75.5%**
- **IPR contributes approximately 90% of the total Net Profit after tax**
- **The Group completed its strategic business review and will proceed to align and integrate the various business segments to streamline its operating expenses in FY2017**

**SINGAPORE, 23 February 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"), presented its full year results today. The Group's net profit after tax increased by S\$5.8 million or a significant 693% increase Y-O-Y.

The growth is largely due to the profits contribution of the newly acquired IPR segment, Victory Hill Exhibitions Pte Ltd ("VHE") in September 2015. VHE contributed approximately 18% of the total revenue in FY2016 and a significant 90% of the total Net Profit after tax in FY2016.

## Financial Highlights

In S\$million unless otherwise stated	FY2016	FY2015	Change % Increase/(decrease)
<b>Revenue</b>	96.8	96.5	0.3
<b>Gross Profit</b>	33.3	23.3	43.0
<b>Net Profit before tax</b>	7.3	0.8	823.0
<b>Net Profit after tax</b>	6.6	0.8	693.4
<b>EPS (cents)</b>	2.8	0.7	300.0
<b>NAV per share (cents)</b>	28.3	22.4	26.3

The Group's EBITDA of S\$12.4 million in FY2016 is a historical high for the Group, representing a remarkable 359% increase Y-O-Y. Approximately 73% of FY2016's revenue was contributed outside of Singapore which is ahead of the 53% average international revenue's contribution for small & medium enterprises reported in a recent survey conducted by International Enterprise (IE) Singapore<sup>1</sup>.

Save for the one-off expenses of S\$1.4 million, comprising of: (1). salary in-lieu and associated expenses of S\$0.3 million; (2). Pre-opening marketing expenses at the Las Vegas Avengers S.T.A.T.I.O.N experience of S\$0.5 million; and (3). the additional purchase considerations of approximately S\$0.6 million relating to the acquisition of VHE in FY2015; the profit after tax would have been approximately S\$8.0 million.

The Group's Gross Profit surged by S\$10.0 million in FY2016 to S\$33.3 million, despite unchanged revenue. This is primarily due to the higher gross profit margins of 75.5%

<sup>1</sup> <https://www.iesingapore.gov.sg/Media-Centre/News/2017/2/Overseas-push-brings-rich-dividends-for-local-firms>



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contribution by the IPR segment. Cityneon's Gross Profit margins improved by 40% to 34.4% in FY2016.

As at 31 December 2016, the Group continued to maintain a robust financial position with Net Asset value of S\$69.3 million, an increase of 40% from previous year. The Earnings Per Share ("EPS") also increased significantly by 300% in FY2016.

In May 2016, China Media Capital Holdings ("CMC"), the multi-billion-dollar media & entertainment fund in China, invested in the Group. In FY2016, the Group also substantially increased our shareholders' base with the support of both small and large institutional and retail investors.

Notwithstanding a stellar year of financial performances, the Group undertook and completed a strategic business review of all its business segments in FY2016, to get ready for the uncertain and unpredictable macro-economic environment expected in 2017 and beyond. The Group will be re-organized into a nimble and leaner organization across its various segments into FY2017, targeting to shed approximately S\$4 million in operating expenses. The challenging environment in the traditional contracting businesses, nonetheless, also presented unique opportunities in its Experiential Environment ("Theme Parks") segment, with successful track records established after its effective completion of the multi-million international theme park project in Shanghai. The Theme Parks segment is expected to contribute positively in the next two to three years with a strong pipeline of international projects.

***Mr. Ron Tan, Group CEO of Cityneon said, "We are greatly encouraged by the Group's full year results and pleased to be able to present to all the shareholders of Cityneon a spectacular set of financial performances in FY2016. 2017 is going to be yet another busy year, with the completion of the Avengers Station tour in Singapore; the openings in Taiwan and Australia; the launch of Avengers Station and Transformers experiences in China; focusing on the theme park build projects; and our Middle Eastern focuses, we hope to deliver an exciting year for all shareholders."***



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*Mr Tan added, “The stellar year of performance will not be made possible without the support of all the shareholders –institution and retail – and we are also grateful of the major partnerships we built up over the past years with major international studios such as Disney/Marvel Studios, Hasbro Studios, and Universal Studios for business activities across all our business divisions. We will continue to focus on the execution of the existing business plan and to seek further opportunities for business expansions encompassing the acquisition of new intellectual properties and/or mergers and acquisitions in the years ahead.”*

**-End-**

#### **About Cityneon Holdings Limited**

Cityneon is a leading service provider of creative solutions in the area of Interior Architecture, Events, Exhibitions and Theme parks 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, Theme 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. For more information, please visit [www.cityneon.net](http://www.cityneon.net)

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