
UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

- 1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement

	Group		Change %
	12 months ended 31 December		
	2017 S\$'000	2016 S\$'000	
Revenue	116,735	96,752	20.7
Cost of sales	(52,888)	(61,969)	(14.7)
Gross profit	63,847	34,783	83.6
Other operating income	713	1,791	(60.2)
Marketing and distribution expenses	(2,275)	(2,103)	8.2
Administrative and other operating expenses	(39,836)	(26,385)	51.0
Total operating expenses	(42,111)	(28,488)	47.8
Finance costs	(2,102)	(641)	227.9
Share of results of associate, net of tax	(188)	(116)	62.1
Profit before income tax	20,159	7,329	175.1
Income tax expense	(2,783)	(720)	286.5
Profit for the year	17,376	6,609	162.9
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations, net of tax amounting to S\$Nil (2016: S\$Nil)	(3,919)	915	(528.3)
Realisation of foreign exchange reserve upon strike off a subsidiary	102	22	363.6
Total comprehensive income for the year, net of tax	13,559	7,546	79.7
Profit attributable to:			
Owners of the parent	17,393	6,680	160.4
Non-controlling interests	(17)	(71)	(76.1)
	17,376	6,609	162.9
Total comprehensive income attributable to:			
Owners of the parent	13,576	7,617	78.2
Non-controlling interests	(17)	(71)	(76.1)
	13,559	7,546	79.7
Gross profit margin	54.7%	36.0%	51.9
Profit before tax margin	17.3%	7.6%	127.6
Net profit attributable to owners of the parent as a percentage of revenue	14.9%	6.9%	115.9
Additional Information:			
Profit from operation is determined after charging/(crediting):			
Allowance for doubtful debt - trade	1,951	244	699.6
Allowance for doubtful debt - non-trade	72	-	100.0
Amortisation expense	1,621	887	82.8
Depreciation of property, plant and equipment	6,216	3,555	74.9
Foreign exchange loss/(gain), net	480	(441)	(208.8)
Loss/(Gain) on disposal of property, plant and equipment	163	(11)	n.m.
Government grants	(380)	(841)	(54.8)
Interest income	(138)	(63)	119.0
Property, plant and equipment written off	14	6	133.3

n.m. - not meaningful

1 **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

Statements of Financial Position

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-Current				
Property, plant and equipment	80,176	43,437	-	-
Intangible assets	20,032	6,954	-	-
Goodwill	19,272	2,935	-	-
Investment in subsidiaries	-	-	52,447	34,513
Investment in associate	72	260	-	-
Prepayments	-	496	-	-
	119,552	54,082	52,447	34,513
Current				
Inventories	682	731	-	-
Amounts due from contract customers	23,640	12,715	-	-
Trade and other receivables	75,885	28,717	78,800	29,486
Cash and cash equivalents	17,931	23,779	211	2,180
	118,138	65,942	79,011	31,666
TOTAL ASSETS	237,690	120,024	131,458	66,179
EQUITY				
Capital and Reserves				
Share capital	50,376	50,376	50,376	50,376
Reserves	32,496	18,920	2,265	1,005
Equity attributable to owners of the parent	82,872	69,296	52,641	51,381
Non-controlling interests	296	313	-	-
TOTAL EQUITY	83,168	69,609	52,641	51,381
LIABILITIES				
Non-Current				
Finance lease obligations	464	37	-	-
Deferred taxation liabilities	7,711	809	-	-
Loan from immediate holding company ¹	10,705	-	10,705	-
Borrowings and Loan ²	23,000	-	-	-
	41,880	846	10,705	-
Current				
Amounts due to contract customers	359	1,282	-	-
Trade and other payables	44,647	19,609	11,044	5,808
Borrowings and Loan	66,523	24,717	57,068	5,490
Loan from ultimate holding company ¹	-	3,500	-	3,500
Finance lease obligations	122	24	-	-
Income tax payables	991	437	-	-
	112,642	49,569	68,112	14,798
TOTAL LIABILITIES	154,522	50,415	78,817	14,798
TOTAL EQUITY AND LIABILITIES	237,690	120,024	131,458	66,179

1 **Aggregate amount of group's borrowings and debts securities**
(b)(ii)

	Group	
	31 Dec 2017	31 Dec 2016
	S\$'000	S\$'000
Amount repayable within one year:		
- secured	26,502	24,741
- unsecured	40,143	3,500
	66,645	28,241
Amount repayable after one year but within five years:		
- secured	23,464	37
- unsecured	10,705	-
	34,169	37

Details of any collateral

The bank loans are secured by leasedhold land and building, fixed deposit and corporate guarantees.

The finance lease obligations of the Group are secured by the rights to the leased motor vehicles and office equipment.

Note:

¹ As at 29 August 2017, Lucrum 1 Investment Limited (immediate holding company), a consortium led by Mr. Ron Tan, Executive Chairman and Group CEO of Cityneon, has completed the acquisition of 52.51% shareholding in Cityneon from Star Media Group and Star Media Group ceased to be the ultimate holding company of Cityneon.

² Mortgage loan assumed from the acquisition of Scorpio East Properties Pte. Ltd., which is secured by fixed deposit and corporate guarantee.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	Note	Group	
		12 months ended	
		31 December	
		2017	2016
		S\$'000	S\$'000
Operating Activities			
Profit before income tax		20,159	7,329
Adjustments for:-			
Depreciation of property, plant and equipment		5,885	3,159
Depreciation of property, plant and equipment charged to cost of sales		331	396
Amortisation expense		1,621	887
Interest income		(138)	(63)
Interest expense		2,102	641
Property, plant and equipment written off		14	6
Loss/(Gain) on disposal of property, plant and equipment		163	(11)
Allowance for doubtful debt - trade		1,951	244
Allowance for doubtful debt - non-trade		72	-
Share of results of associate, net of tax		188	116
Operating cash flows before working capital changes		32,348	12,704
Changes in working capital:			
Inventories		49	(541)
Trade and other receivables		(46,402)	696
Amounts due from contract customers, net		(11,967)	(5,557)
Trade and other payables		14,940	(4,320)
Cash (used in)/generated from operations		(11,032)	2,982
Interest paid		(866)	(641)
Income taxes paid, net		(958)	(425)
Net cash (used in)/generated from operating activities		(12,856)	1,916
Investing Activities			
Purchase of property, plant and equipment	A	(13,920)	(29,612)
Proceeds from disposal of property, plant and equipment		7	214
Purchase of intangible assets		-	(970)
Acquisition of subsidiaries	B	(28,529)	-
Capital contribution by non-controlling interest of subsidiary		-	2
Long term fixed deposits		-	(22)
Interest received		138	63
Net cash used in investing activities		(42,304)	(30,325)
Financing Activities			
Proceeds on issuance of shares		-	12,504
Share issue expenses		-	(392)
Repayment of finance lease obligations		(72)	(181)
Proceeds from bank borrowings		34,405	33,163
Repayment of bank borrowings		(31,831)	(17,317)
Repayment of loan to former ultimate holding company		(3,500)	-
Loan received from immediate holding company		10,705	-
Short term borrowings received from an institution		40,143	-
Dividend paid to non-controlling interests		-	(70)
Movement in fixed deposit pledged to bank/ long term FD		1,152	-
Net cash generated from financing activities		51,002	27,707
Net decrease in cash and cash equivalents		(4,158)	(702)
Cash and cash equivalents at beginning of the financial year		22,611	23,151
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(1,022)	162
Cash and cash equivalents at end of the financial year	C	17,431	22,611

Notes:

A Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately S\$14,500,000 (2016: S\$29,612,000) of which S\$580,000 (2016: S\$Nil) was acquired by means of finance lease. Cash payments of approximately S\$13,920,000 (2016: S\$29,612,000) were made to purchase property, plant and equipment.

B Acquisition of subsidiaries

The fair value of assets acquired and liabilities assumed during the financial year were as follows:-

	Group	
	12 months ended	
	31 December	
	2017	2016
	S\$'000	S\$'000
Net assets acquired	20,538	-
Goodwill	16,337	-
Purchase consideration	36,875	-
Less: Cash and bank from acquisition of subsidiaries	(1,655)	-
Less: Contingent consideration	(6,691)	-
Net cash outflow on acquisition	28,529	-

C Cash and cash equivalents comprised of:

Cash and bank balances
Less: bank deposits pledged

Group	
12 months ended	
31 December	
2017	2016
S\$'000	S\$'000
17,931	23,779
(500)	(1,168)
<u>17,431</u>	<u>22,611</u>

- 1 A statement (for the issuer and group) showing either (i) all changed in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statements of Changes in Equity

Group (S\$'000)

	Attributable to owners of the parent						Non-controlling interests	Total equity	
	Share capital	Retained earnings	Statutory reserve	Share option reserve	Currencies translation reserve	Premium paid on acquisition of non-controlling interests			Total
2016									
As at 1 January 2016	38,006	12,742	149	262	(1,582)	(10)	49,567	452	50,019
Profit for the year	-	6,680	-	-	-	-	6,680	(71)	6,609
Other comprehensive income:									
Exchange differences on translating foreign operations, net of tax	-	-	-	-	915	-	915	-	915
Realisation of foreign exchange reserve upon strike off subsidiary	-	-	-	-	22	-	22	-	22
Total comprehensive income for the year	-	6,680	-	-	937	-	7,617	(71)	7,546
Issue of new shares									
- Share placements	10,609	-	-	-	-	-	10,609	-	10,609
- Exercised of share options	1,503	-	-	-	-	-	1,503	-	1,503
Transfer on exercised of share options	258	-	-	(258)	-	-	-	-	-
Transfer of share option reserve	-	1	-	(1)	-	-	-	-	-
Capital contribution by non-controlling	-	-	-	-	-	-	-	2	2
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(70)	(70)
As at 31 December 2016	50,376	19,423	149	3	(645)	(10)	69,296	313	69,609
2017									
As at 1 January 2017	50,376	19,423	149	3	(645)	(10)	69,296	313	69,609
Profit for the year	-	17,393	-	-	-	-	17,393	(17)	17,376
Other comprehensive income:									
Transferred to statutory reserve	-	(13)	13	-	-	-	-	-	-
Exchange differences on translating foreign operations, net of tax	-	-	-	-	(3,919)	-	(3,919)	-	(3,919)
Realisation of foreign exchange reserve upon strike off subsidiary	-	-	-	-	102	-	102	-	102
Total comprehensive income for the year	-	17,380	13	-	(3,817)	-	13,576	(17)	13,559
As at 31 December 2017	50,376	36,803	162	3	(4,462)	(10)	82,872	296	83,168

Company (S\$'000)

	Share capital	Share option reserve	Retained earnings	Total
2016				
As at 1 January 2016	38,006	433	119	38,558
Total comprehensive income for the year	-	-	711	711
Issue of new shares				
- Share placements	10,609	-	-	10,609
- Exercised of share options	1,503	-	-	1,503
Transfer on exercised of share options	258	(258)	-	-
As at 31 December 2016	50,376	175	830	51,381
2017				
As at 1 January 2017	50,376	175	830	51,381
Total comprehensive income for the year	-	-	1,260	1,260
As at 31 December 2017	50,376	175	2,090	52,641

- 1 (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial**

Share Capital

The movements in the number of ordinary share are as follows:

	2017	2016
As at 1 January	244,656,195	220,818,795
Issued due to share options exercised	-	3,837,400
Issued due to share placement	-	20,000,000
As at 31 December	<u>244,656,195</u>	<u>244,656,195</u>

The movements in the share capital are as follows:

	2017 S\$	2016 S\$
As at 1 January	50,376,302	38,006,064
Issued due to share options exercised	-	1,504,096
Transfer of share option reserve to share capital on exercise of options	-	257,700
Issued due to share placement	-	11,000,000
Share issue expenses	-	(391,558)
As at 31 December	<u>50,376,302</u>	<u>50,376,302</u>

Share Options

The movements in the number of share options are as follows:

	2017	2016
As at 1 January	29,000	3,874,400
Lapsed	(29,000)	(8,000)
Exercised	-	(3,837,400)
As at 31 December	<u>-</u>	<u>29,000</u>

Since the end of the previous financial year, no new share option was granted during the financial year. There were Nil (31 December 2016: 29,000) share options under the Scheme granted by the Company as at 31 December 2017.

- 1 (d)(iii) **Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Group and Company	
	31 Dec 2017	31 Dec 2016
Total number of issued shares excluding treasury	<u>244,656,195</u>	<u>244,656,195</u>

- 1 (d)(iv) **A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial year ended 31 December 2017.

- 1 (d)(v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. There was no subsidiary holdings during and as at the end of the current financial period ended 31 December 2017.

- 2 **Whether the figures have been audited, or reviewed and in accordance with which standard or practice**

The figures have not been audited nor reviewed by the Company's auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4 **Whether the same accounting policies and method of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the financial year ended 31 December 2017, except for those disclosed in paragraph 5 below.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the new and revised FRSs and interpretations to FRS ("INT FRS") that are relevant to its operations and effective for current period beginning on or after 1 January 2017. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group	
	12 months ended	
	31 December	
	2017	2016
	(cents)	(cents)
EPS (based on consolidated net profit attributable to owners of the parent)		
- Basic earnings per share (cents)	7.1	2.8
- Diluted earnings per share (cents)	7.1	2.8

Note

- 1 Basic earnings per share is calculated by dividing profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue of 244,656,195 (2016: 235,955,439) during the financial year.
- 2 Diluted earnings per share is computed based on the weighted average number of ordinary shares after adjusting for the effects of potential dilutive ordinary shares is 244,656,195 (2016: 235,981,498) for the financial year.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

NET ASSET VALUE PER SHARE	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	(cents)	(cents)	(cents)	(cents)
Net assets value per share based on existing issued share capital as at the respective dates	33.9	28.3	21.5	21.0

Net asset value per share is computed based on the number of issued shares of 244,656,195 as at 31 December 2017 (31 December 2016: 244,656,195).

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. Any material factors that affected the cash flows, working capital, assets or liabilities of the group during the current financial period reported on

Revenue

The Group's revenue for financial year ended 31 December 2017 ("FY2017") increased by 20.7% to S\$116.7m from S\$96.7m in prior year ("FY2016").

	Group		Change
	12 months ended		
	31 December		
	2017	2016	
	S\$'000	S\$'000	%
By Business Units ("BU")			
Exhibition Services ("EX")	28,629	30,125	(5.0)
Experiential Environment ("EE")	13,234	18,296	(27.7)
Event Management ("EM")	5,565	8,355	(33.4)
Interior Architecture ("IA")	18,573	22,316	(16.8)
Intellectual Property Rights ("IPR")	50,734	17,660	187.3
Total	116,735	96,752	20.7

Revenue from EX decreased by 5% to S\$28.6m mainly due to the absent of biennial show such as Food & Hotel Asia show in FY2017.

Revenue from EE decreased by 27.7% to S\$13.2m mainly due to the completion of thematic project in Asia Pacific region in prior year.

The decrease in revenue from EM was mainly due to the absence in organising sport events in the financial year under review.

Revenue from IA decreased by 16.8% to \$18.6mil due to the deferment in revenue recognition, as a result of logistical delay.

Revenue from IPR almost tripled from S\$17.7m in FY2016 to S\$50.7m in FY2017. The surge was mainly derived from contracts entered during the year including the opening of Marvel's Avengers S.T.A.T.I.O.N. Exhibitions in Taipei, Beijing and Russia as well as the opening of Transformers Autobots Alliance Exhibition in Chongqing, China.

The gross profit increased by 83.6% from S\$34.8m in FY2016 to S\$63.9m in FY2017. This performance is achieved as a result of higher gross profit margin ("GPM") of 88.7% generated from IPR business undertaken by the Group in the financial year under review. Hence an improvement in the aggregate GPM from 36.0% in FY2016 to 53.5% in FY2017.

Other Operating Income

	Group		Change %
	12 months ended		
	31 December		
2017 S\$'000	2016 S\$'000		
Bank interest income	138	63	119.0
Foreign exchange gain (net)	-	441	(100.0)
Gain on disposal of property, plant and equipment	-	11	(100.0)
Government grants	380	841	(54.8)
Rental income	76	81	(6.2)
Trade payable written back	44	172	(74.4)
Miscellaneous income	75	182	(58.8)
Total other operating income	713	1,791	(60.2)

Other operating income decreased by S\$1.1m in FY2017 mainly due to lower government grants obtained during the year and absence of foreign exchange gain of S\$0.4m.

Expenses

	Group		Change %
	12 months ended		
	31 December		
2017 S\$'000	2016 S\$'000		
Marketing and distribution expenses	(2,275)	(2,103)	8.2
Administrative and other operating expenses	(39,836)	(26,385)	51.0
Total operating expenses	(42,111)	(28,488)	47.8
Finance costs	(2,102)	(641)	227.9
Total Expenses	(44,213)	(29,129)	51.8

Total operating expenses included the following items:

	Group		Change %
	12 months ended		
	31 December		
2017 S\$'000	2016 S\$'000		
Operating expenses			
Allowance for doubtful debts - Trade	1,951	244	699.6
Depreciation of property, plant and equipment	5,885	3,159	86.3
Foreign exchange loss (net)	480	-	100.0
Loss on disposal of property, plant and equipment	163	-	100.0
Amortisation expense	1,621	887	82.8
Property, plant and equipment written off	14	6	133.3

Marketing and Distribution Expenses

Marketing and distribution expenses increased by approximately S\$0.2m in the financial year under review with cost incurred for promoting business activities.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by S\$13.4m from S\$26.4m in FY2016 to S\$39.8m in FY2017. The increase was mainly due to the following items:

- Higher professional fee was mainly due to General Offer for all the issued shares in the Company following the offer from Lucrum 1 Investment Ltd to purchase 52.51% shareholding in the Company from Star Media Group in May 2017.
- Incentive payment increased mainly due to higher profit generated compared to the profit target pertaining to the acquisition of Victory Hill Exhibitions Pte Ltd in FY2015.
- Rental of exhibition venue increase due to a full year rental recorded for intellectual property space as compared to FY2016, which only half year rental incurred. Furthermore, variable rent incurred in FY2017 also contributed to the increase in total rental cost.
- Provision of doubtful debt increased from S\$0.2m to S\$1.9m during the year.
- Corresponding to the good performance generated in FY2017, higher provision was made for performance bonus.
- Depreciation of property, plant and equipment increased by S\$2.7m mainly due to increase number of interactive exhibition set build in the financial year under review.
- Higher amortisation expense arose from amortisation of intangible assets through the acquisition of JP Exhibition LLC ("JPE") during the financial year.
- With the weak US dollars near the financial year-end, unrealised foreign exchange loss of S\$0.5m was incurred in FY2017 compared to unrealised foreign exchange gain of S\$0.4m generated in previous financial year.

Finance cost

Finance cost increased by approximately S\$1.5m from S\$0.6m in FY2016 to S\$2.1m in FY2017 due to higher cost of borrowings in the financial year under review.

Income tax expense

With the higher net profit generated during the financial year, tax expense increased to S\$2.8m compared to S\$0.7m in FY2016.

Profit for the year

After considering above factors, the Group has generated net profit after tax of approximately S\$17.3m, increased from S\$6.6m a year ago.

Review of Financial Position

Net assets value ("NAV") of the Group as at 31 December 2017 was S\$82.9m. This translates into 33.9 cents per ordinary share representing an increase of 19.6% over FY2016 NAV per share.

Major movements in balance sheet items are summarised as follows:

- (i) Property, Plant & Equipment ("PPE") increased from S\$43.4m to approximately S\$80.2m mainly due to acquisition of new office building at 25 Tai Seng Avenue in December 2017. In addition, the increase is also due to cost incurred in upgrading of the interactive exhibition travelling sets and construction of a new exhibition travelling set for Transformer in the existing IP business and the acquisition of JPE during the year.
- (iii) The trade and other receivables increased from S\$28.7m in FY2016 to S\$75.9m in FY2017. The increase was mainly due to more projects' billings invoiced toward the end of financial year. Trade and other payables have increased from S\$19.6m to S\$44.6m mainly due to advances received from contract customers. There is also a deferred consideration in acquisition of JPE of amounting to S\$6.7m contributed to the higher payables.
- (iv) Amount due from contract customers increased from S\$12.7m to S\$23.6m mainly due to slower billings for works done in FY2017 compared to FY2016.
- (v) Current borrowings and loan increased by S\$41.8m from S\$24.7m in FY2016 to S\$66.5m in FY2017. The increase was mainly due to loans drawn down from banks and institution for projects, operation purpose, funding the acquisition on JPE, upgrading of travelling exhibition set and building of new travelling set for Transformers. Non current bank borrowings of S\$23m is assumed by the Group subsequent to the acquisition of Scorpio East Properties Pte Ltd. This acquisition comprise of an office building located at 25 Tai Seng Avenue.
- (vi) During the year, major shareholder, Lucrum 1 Investment Limited has extended loan amount to S\$10.7m to the Group.
- (vii) Provision of income tax payables increased in correspondence with the higher net profit generated in FY2017.

Cash Flows Review

As at 31 December 2017, the Group recorded net cash used in operating activities of S\$12.9m.

- Net cash used in Trade and other receivables in FY2017 mainly due to slower collections from customers during the year and significant sales were billed in December compared to FY2016.
- Amount due from contract customers recorded a net decrease in cash of S\$11.9m due to slower billings because higher project works were recorded at year end.
- The net increase in trade and other payables in FY2017 was due to slower payment made to suppliers compared to FY2016.
- Higher interests amounting to S\$0.9m was paid due to increase in bank borrowings in FY2017 compared to a year ago.
- Higher tax amount of S\$0.9m was paid of which S\$0.5m was related to withholding tax paid in FY2017.

The Group recorded net cash used in investing activities of approximately S\$42.3m in FY2017. The cash used for purchase of property, plant and equipment, construction and upgrading of interactive exhibition travelling sets and renovation of retail space. The Group has acquired JPE for S\$28.5m during the financial year under review.

The Group recorded a net cash generated from financing activities of approximately S\$51.0m in FY2017. This consists of borrowings drawn down from banks and institution of S\$74.5m of which S\$31.8m was repaid to the banks during the year. The funds were used to acquire JPE, upgrading of travelling exhibition set and building of new travelling set for Transformers. There was also a repayment of S\$3.5m loan to Star Media Group Berhad. During the financial year, the major shareholder, Lucrum 1 Investment Limited, has extended a loan to the Group of S\$10.7m to repay a bank borrowing.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual result

There is no forecast or prospect statement previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Following the completion of the purchase of 52.51% shares by Lucrum 1 Investment Limited ("Lucrum") and completion of the General Offer on 29 August 2017, Lucrum now owns approximately 68.95% of the Company and is currently the largest shareholder.

This enables Mr. Ron Tan, the Executive Chairman and Group Chief Executive Officer to have an effective influence on the strategy, expansion and future direction of the Company.

The Group's growth is partly due to the contribution of the newly acquired Intellectual Property Rights ("IPR") segment which the Group attained full global rights to Jurassic World – the Exhibition in August 2017. The three IPRs (Disney's Marvel Avengers S.T.A.T.I.O.N., Hasbro's Transformers and Universal's Jurassic World – the Exhibition) have visited 12 cities globally, and the group has extended from one to six permanent and traveling sets in less than 2.5 years. The touring sets have premiered in cities in New York, Seoul, Paris, Las Vegas, Singapore, Beijing, Taipei, Chong Qing, Moscow, Melbourne, Philadelphia and Chicago – with line ups fully committed throughout the rest of 2018.

Most notably, several movies from the franchises on which the Group has based its exhibits are set to be released in 2018. There are three Marvel movies planned, including the ongoing Marvel's Black Panther's movie (which just crossed S\$900m in global movie ticket sales – and the Group will be launching its Black Panther's addition in the coming Marvel Avengers S.T.A.T.I.O.N.'s opening in Melbourne in March 2018) and the intensely marketed ensemble flick Avengers: Infinity War in May 2018. And from the Transformers, Bumblebee: The Movie is expected to be launch in 2018. The sequel to 2015's Jurassic World, Jurassic World: Fallen Kingdom, has been tapped for a June 2018 release. The Group believes the timing of these movie releases will augur well for the Group's IPR businesses.

We will have another action-packed year ahead in 2018 as we reach out to fans in new regions through various channels, including our fourth Avengers S.T.A.T.I.O.N. set slated to be opened in Norrkoping, Sweden in June 2018. Transformers Autobots Alliance Exhibition recently opened its doors in Chongqing, China in December 2017 and the Jurassic World – The Exhibition in Chicago, USA, which ended in January 2018, and already exceeded its millionth visitors by September 2017. We are hard at work to ensure that this new IP will be another roaring success as we bring into the next destinations in 2018 and beyond – coupled with the roll out of a second new exhibition set.

The Company will continue to expand its full suite of "Design & Build" services – especially for the upcoming 2020 World Expo in Dubai, themed: "Connecting Minds, Creating the Future" to continue its success in the previous World Expos in Shanghai and Milan.

The Group has put in place the financing and will make strategic decisions and continue to explore new business development opportunities including mergers and acquisitions activities to continue to enhance our shareholders value. We believe the Group is on the right track to grow, barring any unforeseen global calamities. The Group has continued plans to invest in new exhibition traveling sets and seek and secure new intellectual properties. The Group will continue to align its traditional core business with that of the IPR business, especially in the area of creative and design, as we continue to metamorphose Cityneon into a global and well-respected organisation.

11 Dividend

(a) Current Financial Period reported on

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

12 If no dividend has been declared / recommended, a statement to that effect

Not applicable.

13 Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	\$'000
Lucrum 1 Investment Limited (Interest on shareholder's loan)		229		NA

PART II INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This is not applicable to Q1, Q2, Q3 or Half Year Results)

14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) Business segments

Group	12 months ended 31 December 2017							Total
	Exhibition Services	Experiential Environment	Event Management	Interior Architecture	Intellectual Property Rights	Unallocated	Eliminations	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Revenue								
External revenue	28,629	13,234	5,565	18,573	50,734	-	-	116,735
Inter-segment revenue	2,536	68	342	553	1,836	-	(5,335)	-
Total Revenue	31,165	13,302	5,907	19,126	52,570	-	(5,335)	116,735
Results								
Segment results	2,957	541	(705)	297	27,444	-	-	30,534
Unallocated expenses (net)								(8,223)
Share of results of associate, net of tax								(188)
Interest income								138
Finance cost								(2,102)
Profit before income tax								20,159
Income tax expenses								(2,783)
Profit after income tax but before non-controlling interests								17,376
Non-controlling interests								17
Profit attributable to owners of the parent								17,393
Assets and Liabilities								
Segment assets	18,675	16,345	1,988	29,035	105,323	66,324	-	237,690
Segment liabilities	5,600	7,686	2,246	19,426	18,516	101,048	-	154,522
Other Segment Information								
Capital expenditure	756	33	25	11	12,191	904	-	13,920
Depreciation of property, plant and equipment	415	27	5	41	5,470	(73)	-	5,885
Depreciation of property, plant and equipment charged to project cost	52	9	122	148	-	-	-	331
Amortisation expenses	-	-	-	-	114	1,507	-	1,621
Allowance for doubtful debts - Trade	79	3	-	272	1,597	-	-	1,951
Allowance for doubtful debts - Non-Trade	-	-	72	-	-	-	-	72
Non-cash expenses other than depreciation and allowance for doubtful debts	6	-	168	(5)	121	1,507	-	1,797

12 months ended 31 December 2016

Group	Exhibition Services	Experiential Environment	Event Management	Interior Architecture	Intellectual Property Rights	Unallocated	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue								
External revenue	29,662	18,759	8,355	22,316	17,660	-	-	96,752
Inter-segment revenue	3,037	4,993	-	770	34	-	(8,834)	-
Total Revenue	32,699	23,752	8,355	23,086	17,694	-	(8,834)	96,752
Results								
Segment results	2,411	2,051	(36)	439	7,043	-	-	11,908
Unallocated expenses (net)								(3,885)
Share of results of associate, net of tax								(116)
Interest income								63
Finance cost								(641)
Profit before income tax								7,329
Income tax expenses								(720)
Profit after income tax but before non-controlling interests								6,609
Non-controlling interests								71
Profit attributable to owners of the parent								6,680
Assets and Liabilities								
Segment assets	25,534	15,133	3,874	13,652	56,312	5,519	-	120,024
Segment liabilities	5,635	6,749	1,602	7,280	19,405	9,744	-	50,415
Other Segment Information								
Capital expenditure	1,385	66	331	373	27,431	26	-	29,612
Depreciation of property, plant and equipment	390	10	20	91	2,648	-	-	3,159
Depreciation of property, plant and equipment charged to project cost	123	7	157	109	-	-	-	396
Amortisation expenses	-	-	-	-	128	759	-	887
Allowance for doubtful debts	50	42	-	152	-	-	-	244
Non-cash expenses other than depreciation and allowance for doubtful debts	6	-	-	-	887	-	-	893

(b) **Geographical Information**

	Revenue		Non-current Assets	
	12 months ended		As at	
	31 December		31 December	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	25,712	26,314	66,741	10,178
Middle East	17,131	9,820	779	1,325
Asia Pacific exclude Singapore	41,696	34,427	1,565	1,789
USA / Europe / Others	32,196	26,191	27,239	26,834
Total	<u>116,735</u>	<u>96,752</u>	<u>96,324</u>	<u>40,126</u>

Non-current assets information presented above consist of property, plant and equipment, goodwill, other intangible assets, investment in associate and prepayments and exclude licenced interactive exhibition travelling sets.

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to paragraph 8.

16 A breakdown of revenue as follows:

	Group		
	2017	2016	Change
	S\$'000	S\$'000	%
(a) Revenue			
- for 6 months ended 30 June	49,722	46,321	7.3
- for 6 months ended 31 December	67,013	50,431	32.9
Total	<u>116,735</u>	<u>96,752</u>	20.7
(b) Operating profit after tax before deducting non-controlling interests reported			
- for 6 months ended 30 June	7,711	4,698	(64.1)
- for 6 months ended 31 December	9,665	1,911	405.8
Total	<u>17,376</u>	<u>6,609</u>	162.9

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	Group	
	12 months ended	
	31 December	
	2017	2016
	S\$'000	S\$'000
Ordinary shares	-	-

18 Person occupying managerial position

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive director or substantial shareholder of the issuer pursuant to Rule 704(13).

19 Confirmation that issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX Listing Manual.

The Company has procured undertakings from all directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX Listing Manual.

ON BEHALF OF THE BOARD

RON TAN
EXECUTIVE CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER
27 February 2018