



CITYNEON HOLDINGS LIMITED
Company Registration No. 199903628E
Incorporated in the Republic of Singapore

PROPOSED ACQUISITION OF THE ENTIRE SHARE CAPITAL OF VICTORY HILL EXHIBITIONS PTE. LTD. AND THE PROPOSED NON-UNDERWRITTEN RENOUNCEABLE RIGHTS ISSUE

1. INTRODUCTION

The Board of Directors (the "**Board**") of Cityneon Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement made on 2 April 2015 (the "**2 April Announcement**") in connection with the proposed acquisition of the entire issued share capital of Victory Hill Exhibitions Pte. Ltd. (the "**Target**", and the shares in the Target, the "**Target Shares**") (the "**Acquisition**"). Terms used herein shall have the same meaning ascribed to them in the 2 April Announcement unless otherwise defined.

The Board wishes to inform Shareholders that further to the sale and purchase agreement entered into on 1 April 2015 (the "**SPA**") with Philadelphia Investments Ltd (the "**Vendor**"), the Company has today entered into a supplemental agreement to the SPA (the "**Supplemental Agreement**").

2. THE SUPPLEMENTAL AGREEMENT

Pursuant to the terms of the Supplemental Agreement, the asset transfer, pursuant to which the Target shall be legal and beneficial owner of the Assets immediately prior to Completion, will take place by way of distribution and contribution (the "**Asset Transfer**"). The Assets will be distributed from Victory Hill Exhibitions, LLC to the Vendor (the "**Distribution**") and then transferred from the Vendor to the Target for a nominal consideration of US\$1 (the "**Contribution**").

Completion Conditions have been amended by the Supplemental Agreement and Completion of the SPA is conditional upon, *inter alia*, the following Conditions being satisfied, or waived by the Company and/or the Vendor (as the case may be), in accordance with the terms of the SPA:

- (a) there being no breach of the representations, warranties, covenants and undertakings given by the Vendor in the SPA since the date of the SPA;
- (b) the completion of the Asset Transfer in compliance with all applicable laws and regulations (whether of Singapore or the United States of America, or any other jurisdiction) and on terms acceptable to the Company (acting reasonably);

- (c) the due execution of the Asset Transfer Agreements¹;
- (d) all approvals, consents and clearances which may be necessary to be obtained (at the costs of the Vendor) by the Vendor and/or (as the case may be) the Target from all relevant governmental, statutory, regulatory or other authorities in Singapore or elsewhere and any other third parties (including but not limited to the consents (including consents for the change of control of the Target contemplated under the SPA) of all relevant counterparties to the Transferred Agreements² and any other relevant third parties for the purposes of the Asset Transfer), for and in connection with the transactions contemplated under the SPA and the Asset Transfer, having been obtained by the Vendor and/or (as the case may be) the Target, on terms satisfactory to the Company (acting reasonably), and remaining in full force and effect and not being revoked;
- (e) the due execution of the Management Agreements by the Managers;
- (f) there having been no material adverse change in the business, operations, assets, financial conditions or prospects of Victory Hill Exhibitions, LLC, and/or the Vendor in relation to the Assets since the date of signing of this Agreement and prior to the completion of the Asset Transfer;
- (g) there having been no material adverse change in the business, operations, assets, financial conditions or prospects of the Target since the date of the SPA and prior to the completion of the Asset Transfer;
- (h) the provision by the Vendor to the Company of such documents evidencing the full and final settlement of all outstanding liabilities and obligations between the Target and (i) each member of the Vendor's group of companies, and (ii) each of the Managers (other than the liabilities and obligations under the Management Agreements);
- (i) all approvals, consents and clearances which may be necessary to be obtained (at the costs of the Vendor) by Victory Hill Exhibitions, LLC, and/or the Vendor (including unitholders' and directors' approval, if required, for the Asset Transfer) in respect of the Asset Transfer and the execution of the Asset Transfer Documents;
- (j) completion of the due diligence satisfactory to the Company (acting reasonably) on the a wholly-owned subsidiary of the Target which will be incorporated in USA which shall be named Station-LV LLC (or such other name as may be agreed pursuant to the SPA) to verify that such subsidiary has no assets (other than in respect of its paid up capital) or liabilities (other than in respect of the New Lease Agreement³) and is wholly legally and beneficially owned by the Target;
- (k) the Target having entered into:

1 **"Asset Transfer Agreements"** means the agreements and documents to effect the Distribution and Contribution, to be entered into by the Vendor, Victory Hill Exhibitions, LLC and/or the Target (as may be relevant) in respect of the Asset Transfer, in such form as is acceptable to the Company (acting reasonably), which shall include an obligation of Victory Hill Exhibitions, LLC to refer to the Company any corporate or business opportunities that may be offered to Victory Hill Exhibitions, LLC after the completion of the Asset Transfer, for a nominal consideration.

2 **"Transferred Agreements"** means: (a) the License Agreement; (b) the exhibition agreement dated 13 February 2015 between a media service provider and Victory Hill Exhibitions, LLC; (c) the VHE Insurance Policies; and (d) the Unexecuted Agreement, provided that the Licence Agreement shall be excluded in the case where the Target has entered into a new license agreement between the Company and Marvel Characters prior to the completion of the Asset Transfer.

3 **"New Lease Agreement"** means the new lease agreement to be entered into between Station-LV, LLC and an exhibitions provider, in a form acceptable to the Company (acting reasonably).

- (i) an exhibition agreement with TSX Operating Company, LLC, the terms of which are substantially similar to the exhibition agreement dated 14 March 2014 between Victory Hill Exhibitions, LLC, and TSX Operating Company, LLC (save as varied in a manner acceptable to the Company (acting reasonably)); and
- (ii) an exhibition participation agreement with an individual, the terms of which shall be substantially similar to the exhibition participation agreement dated 1 May 2014 between Victory Hill Exhibitions, LLC, and an individual (save as varied in a manner acceptable to the Company (acting reasonably));
- (l) the Unexecuted Agreement⁴ shall be executed by the parties thereto in the form substantially similar to the form provided by the Vendor to the Company (save as varied in a manner acceptable to the Company);
- (m) each of the VHE Insurance Policies⁵ having been transferred by way of assignment or novation from Victory Hill Exhibitions, LLC to the Target (which will become the insured) on such terms acceptable to the Company (acting reasonably);
- (n) the approval of the Shareholders at a general meeting for all resolutions as may be necessary or incidental to approve, implement or effect the Acquisition and the matters contemplated under the SPA, and the Rights Issue;
- (o) the issue of the Consideration Shares will not result in:
 - (i) the post-Completion public float of the Company being less than 10%;
 - (ii) the proportion of direct interest of Laviani Pte. Ltd. in the capital of the Company being less than 51% post-Completion;
- (p) the completion by the Company of the Rights Issue, including the receipt by the Company of all proceeds of the Rights Issue in available funds;
- (q) receipt of the SGX-ST's approval for the Acquisition and its approval in-principle for the listing of and quotation of the Consideration Shares on the Official List of the SGX-ST being obtained and not having been revoked or withdrawn by the SGX-ST, and where such approval in-principle is subject to conditions, (i) to the extent they are required to be fulfilled on or before the Completion Date, they are so fulfilled and (ii) such conditions, if applicable to the Company, being acceptable to the Company in its sole and absolute discretion, and if applicable to the Vendor, being acceptable to the Vendor in its sole and absolute discretion;
- (r) the Acquisition and the allotment and issue of the Consideration Shares not being in conflict with, or resulting in a breach of or default under provision of any law or regulation, order, agreement (including any financing document), instrument, concession, licence, permit, liability, obligation or duty applying to or by which any member of the Group is bound;
- (s) there having been no material adverse change in the business, operations, assets, financial conditions or prospects of the Company and its subsidiaries since the date of the SPA and prior to the Completion Date;

4 "Unexecuted Agreement" means the merchandising term sheet dated 10 November 2014 between Victory Hill Exhibitions, LLC and Firebrand.

5 "VHE Insurance Policies" means the relevant insurance binders and policies entered into by Victory Hill Exhibitions, LLC as set out in the SPA.

- (t) the issue of the Consideration Shares will not result in the trigger of a mandatory general offer for the Shares not owned, controlled or otherwise agreed to be acquired by the Vendor and/or parties acting in concert with it in connection with the Acquisition under the Singapore Takeovers Code;
- (u) all necessary or desirable actions, notifications, filings and registrations, approvals, permits and consents having been taken, given to, made with and obtained from the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or elsewhere in respect of the sale and purchase of the Target Shares, the allotment and issue of the Consideration Shares contemplated under the SPA and the compliance in full to the satisfaction of the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or elsewhere of all conditions (if any) attaching or in relation thereto, where such conditions are required to be complied with by the Completion Date;
- (v) the Company shall, on the completion of the Rights Issue (including the receipt by the Company of all proceeds of the Rights Issue in available funds) or date of completion of the Asset Transfer (provided that written notice of at least two (2) business days prior to completion of the Asset Transfer is given to the Company), whichever is later, deposit the Completion Consideration Amount into an escrow account with an escrow agent to be jointly appointed by the Company and the Vendor. The escrow agreement to be entered into between the escrow agent, the Company and the Vendor shall provide that, save with the joint consent of both the Company and the Vendor, the escrow agent shall (i) hold the Completion Consideration Amount in escrow until Completion, and (ii) pay the Completion Consideration Amount to the Vendor and/or its nominee on Completion as instructed by the Company, or if Completion does not take place by the Long Stop Date, to pay the Completion Consideration Amount to the Company as soon as reasonably practicable after the Long Stop Date, as instructed by the Company; and
- (w) the due execution of an escrow agreement by the Vendor, the Company and an escrow agent, in respect of the Escrow Shares.

If the Conditions are not fulfilled (or waived in accordance with the terms of the SPA) prior to the Long Stop Date, the SPA shall cease to be of any effect, save for its surviving provisions in accordance with the terms of the SPA and save in respect of claims arising out of any antecedent breach of the SPA. Under the terms of the Supplemental Agreement, the Long Stop Date is extended to 150 days from the date of the SPA, or such other date as may be agreed in writing between the Company, Vendor and the Guarantor.

3. CIRCULAR

Further details on the Acquisition and the Rights Issue will be set out in the Circular, 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.

By Order of the Board
CITYNEON HOLDINGS LIMITED

Cho Form Po
 Company Secretary

2 June 2015