



# CITYNEON HOLDINGS LIMITED

(Co Regn.: 199903628E)

## UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2018

### PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY RESULT

#### 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
	3 months ended 31 March		
	2018	2017 Restated	
	S\$'000	S\$'000	%
Revenue	23,453	16,942	38.4
Cost of sales	(7,094)	(6,594)	7.6
<b>Gross profit</b>	<b>16,359</b>	<b>10,348</b>	<b>58.1</b>
Other operating income	290	135	114.8
Marketing and distribution expenses	(542)	(352)	54.0
Administrative and other operating expenses	(3,020)	(2,745)	10.0
Amortisation and depreciation expenses	(3,327)	(1,416)	135.0
Staff costs	(4,112)	(3,034)	35.5
Total operating expenses	(11,001)	(7,547)	45.8
Finance costs	(1,267)	(245)	417.1
Share of results of associate, net of tax	-	(75)	(100.0)
<b>Profit before income tax</b>	<b>4,381</b>	<b>2,616</b>	<b>67.5</b>
Income tax expenses	(431)	(427)	0.9
<b>Profit for the year</b>	<b>3,950</b>	<b>2,189</b>	<b>80.4</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference on translation of foreign operations, net of tax amounting to \$Nil (2017: \$Nil)	(1,496)	(1,678)	(10.8)
<b>Total comprehensive income for the year, net of tax</b>	<b>2,454</b>	<b>511</b>	<b>380.2</b>
<b>Profit attributable to:</b>			
Owners of the parent	3,951	2,190	80.4
Non-controlling interests	(1)	(1)	0.0
	<b>3,950</b>	<b>2,189</b>	<b>80.4</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	2,455	512	379.5
Non-controlling interests	(1)	(1)	0.0
	<b>2,454</b>	<b>511</b>	<b>380.2</b>
Gross profit margin	69.8%	61.1%	14.2
Profit before tax margin	18.7%	15.4%	21.4
Net profit attributable to owners of the parent as a percentage of revenue	16.8%	12.9%	30.2
<b>Additional Information:</b>			
Profit from operation is determined after charging/(crediting):			
Allowance for doubtful debt - trade	16	-	N.M.
Amortisation expense	959	213	350.2
Depreciation of property, plant and equipment	2,419	1,253	93.1
Foreign exchange loss, net	33	345	(90.4)
(Gain)/Loss on disposal of property, plant and equipment	(1)	1	(200.0)
Government grants	(7)	(24)	(70.8)
Interest income	(13)	(19)	(31.6)
Property, plant and equipment written off	-	8	(100.0)

Note:-

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

(b)(i) **Statements of Financial Position**

	Group			Company	
	31 Mar 2018	31 Dec 2017	1 Jan 2017	31 Mar 2018	31 Dec 2017
	S\$'000	Restated S\$'000	Restated S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-Current</b>					
Property, plant and equipment	78,024	80,176	43,437	-	-
Intangible assets	29,360	31,298	6,954	-	-
Goodwill	12,157	12,513	2,935	-	-
Investment in subsidiaries	-	-	-	52,447	52,447
Investment in associate	72	72	260	-	-
Prepayments	-	-	496	-	-
	119,613	124,059	54,082	52,447	52,447
<b>Current</b>					
Inventories	690	682	731	-	-
Contract assets	22,664	23,640	12,715	-	-
Trade and other receivables	62,808	63,172	28,717	93,235	80,035
Cash and cash equivalents	44,126	17,931	23,779	28,687	211
	130,288	105,425	65,942	121,922	80,246
<b>TOTAL ASSETS</b>	<b>249,901</b>	<b>229,484</b>	<b>120,024</b>	<b>174,369</b>	<b>132,693</b>
<b>EQUITY</b>					
<b>Capital and Reserves</b>					
Share capital	50,376	50,376	50,376	50,376	50,376
Reserves	12,819	10,364	11,746	1,848	2,265
<b>Equity attributable to owners of the parent</b>	<b>63,195</b>	<b>60,740</b>	<b>62,122</b>	<b>52,224</b>	<b>52,641</b>
<b>Non-controlling interests</b>	<b>295</b>	<b>296</b>	<b>313</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>63,490</b>	<b>61,036</b>	<b>62,435</b>	<b>52,224</b>	<b>52,641</b>
<b>LIABILITIES</b>					
<b>Non-Current</b>					
Finance lease obligations	413	464	37	-	-
Deferred tax liabilities	9,829	10,521	809	-	-
Loan from immediate holding company	10,476	10,705	-	10,476	10,705
Borrowings and Loan	62,285	23,000	-	39,285	-
	83,003	44,690	846	49,761	10,705
<b>Current</b>					
Contract liabilities	806	359	1,282	-	-
Trade and other payables	32,977	54,067	26,783	14,930	12,279
Borrowings and Loan	66,680	66,523	24,717	57,454	57,068
Loan from ultimate holding company *	-	-	3,500	-	-
Finance lease obligations	110	122	24	-	-
Income tax payables	2,835	2,687	437	-	-
	103,408	123,758	56,743	72,384	69,347
<b>TOTAL LIABILITIES</b>	<b>186,411</b>	<b>168,448</b>	<b>57,589</b>	<b>122,145</b>	<b>80,052</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>249,901</b>	<b>229,484</b>	<b>120,024</b>	<b>174,369</b>	<b>132,693</b>

1 Aggregate amount of group's borrowings and debts securities

	Group	
	31 Mar 2018	31 Dec 2017
	S\$'000	S\$'000
Amount repayable within one year:		
- secured	Note 1	27,505
- unsecured		39,285
		66,790
Amount repayable after one year but within five years:		
- secured	Note 2	62,698
- unsecured		10,476
		73,174

**Details of any collateral**

1 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.

2 A loan amount of approximately SGD39,285,000 (US\$30,000,000) is secured by Lucrum 1 Investment Limited's ordinary shares in the Company that has been placed into a designated securities account in favour of the Lender.

\* As at 29 August 2017, Lucrum 1 Investment Limited, a consortium led by Mr. Tan Aik Ti, Ron, Executive Chairman and Group CEO of Cityneon, has completed the acquisition of 51% shares from Star Media Group Berhad and Star Media Group Berhad ceased to be the ultimate holding company of Cityneon.

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	
		3 months ended	
		31 March	
		2018	2017
		S\$'000	Restated S\$'000
<b>Operating Activities</b>			
Profit before income tax		4,381	2,616
Adjustments for:-			
Depreciation of property, plant and equipment		2,368	1,203
Depreciation of property, plant and equipment charged to cost of sales		51	50
Amortisation expense		959	213
Interest income		(13)	(19)
Interest expense		1,267	245
Property, plant and equipment written off		-	8
(Gain)/Loss on disposal of property, plant and equipment		(1)	1
Allowance for doubtful debt - trade		16	-
Unrealised exchange (gain)/loss		(488)	334
Share of results of associate, net of tax		-	75
Operating cash flows before working capital changes		8,540	4,726
Changes in working capital:			
Inventories		(8)	52
Trade and other receivables		943	(13,428)
Net contract assets/liabilities		1,722	4,783
Trade and other payables		(22,087)	128
Cash used in operations		(10,890)	(3,739)
Interest paid		(1,267)	(245)
Income taxes paid, net		(517)	(790)
<b>Net cash used in operating activities</b>		<b>(12,674)</b>	<b>(4,774)</b>
<b>Investing Activities</b>			
Purchase of property, plant and equipment		(1,388)	(2,465)
Proceeds from disposal of property, plant and equipment		59	-
Interest received		13	19
<b>Net cash used in investing activities</b>		<b>(1,316)</b>	<b>(2,446)</b>
<b>Financing Activities</b>			
Repayment of finance lease obligations		(62)	(23)
Proceeds of borrowings from bank and financial institution		48,754	1,684
Repayment of borrowings to bank		(8,158)	(3,004)
Decreased in long-term fixed deposits		-	1,152
<b>Net cash generated from/(used in) financing activities</b>		<b>40,534</b>	<b>(191)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>26,544</b>	<b>(7,411)</b>
<b>Cash and cash equivalents at beginning of the financial period</b>		<b>17,430</b>	<b>22,611</b>
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		(348)	(650)
<b>Cash and cash equivalents at end of the financial period</b>	<b>A</b>	<b>43,626</b>	<b>14,550</b>

Notes:

**A Cash and cash equivalents comprised of:**

	Group	
	3 months ended	
	31 March	
	2018	2017
	S\$'000	S\$'000
Cash and bank balances	44,126	14,550
Less: bank deposits pledged	(500)	-
	<b>43,626</b>	<b>14,550</b>

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						Total	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			
<b>2017</b>									
As at 1 January 2017, as previously reported	50,376	19,423	149	3	(645)	(10)	69,296	313	69,609
Effects of adopting SFRS(I)1	-	(7,819)	-	-	645	-	(7,174)	-	(7,174)
As at 1 January 2017 (Restated)	50,376	11,604	149	3	-	(10)	62,122	313	62,435
Profit for the period	-	2,190	-	-	-	-	2,190	(1)	2,189
Other comprehensive income:									
Exchange differences on translating foreign operations, net of tax	-	-	-	-	(1,678)	-	(1,678)	-	(1,678)
Total comprehensive income for the period	-	2,190	-	-	(1,678)	-	512	(1)	511
As at 31 March 2017 (Restated)	50,376	13,794	149	3	(1,678)	(10)	62,634	312	62,946
<b>2018</b>									
As at 1 January 2018, as previously reported	50,376	36,803	162	3	(4,462)	(10)	82,872	296	83,168
Effects of adopting SFRS(I)1	-	(23,651)	-	-	1,519	-	(22,132)	-	(22,132)
As at 1 January 2018 (Restated)	50,376	13,152	162	3	(2,943)	(10)	60,740	296	61,036
Profit for the period	-	3,951	-	-	-	-	3,951	(1)	3,950
Other comprehensive income:									
Exchange differences on translating foreign operations, net of tax	-	-	-	-	(1,496)	-	(1,496)	-	(1,496)
Total comprehensive income for the period	-	3,951	-	-	(1,496)	-	2,455	(1)	2,454
As at 31 March 2018	50,376	17,103	162	3	(4,439)	(10)	63,195	295	63,490

**Company (S\$'000)**

**2017**

	Share capital	Share option reserve	Retained earnings	Total
As at 1 January 2017	50,376	175	830	51,381
Total comprehensive income for the year	-	-	(300)	(300)
As at 31 March 2017	50,376	175	530	51,081

**2018**

As at 1 January 2018	50,376	175	2,090	52,641
Total comprehensive income for the year	-	-	(417)	(417)
As at 31 March 2018	50,376	175	1,673	52,224

- 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 year.**

Share Capital

	<b>Group and Company</b>			
	<b>Number of Shares</b>		<b>S\$</b>	
	<b>31 Mar 2018</b>	<b>31 Dec 2017</b>	<b>31 Mar 2018</b>	<b>31 Dec 2017</b>
Issued and fully-paid	244,656,195	244,656,195	50,376,302	50,376,302

Share Options

Since the end of the previous financial year, no new share option was granted during the financial period. There were Nil (31 December 2017: Nil) share options under the Scheme granted by the Company as at 31 March 2018.

- 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.**

	<b>Group and Company</b>	
	<b>31 Mar 2018</b>	<b>31 Dec 2017</b>
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 period ended 31 March 2018.

- 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 March 2018.

- 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**

On 29 May 2014, the Accounting Standards Council announced that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standard.

The Group has adopted Singapore Financial Reporting Standards (International) (“SFRS(I)”) and all the new and revised standards that are effective for current period beginning on or after 1 January 2018. The relevant impacts are detailed as follow:

SFRS(I) – First-time adoption of Singapore Financial Reporting Standards (International)

On transition to SFRS(I), the Group restated comparative period financial statements to retrospectively apply SFRF(I) where applicable, except where SFRS(I) 1 specifically prohibited such retrospective applications and where optional exemption from retrospective applications were elected.

The Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 Jan 2017, and accordingly, has reclassified S\$645,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

SFRS(I) 15 – Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 using the full retrospective approach and applied all practical expedients available. Under the application for SFRS(I) 15, the opening retained earnings of the Group has decreased by S\$23.6m, the translation reserve has increased by S\$1.5m, trade and other payables increased by S\$9.4m and trade and other receivables decreased by S\$12.7m.

**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:-**

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2018</b>	<b>2017</b>
	<b>(cents)</b>	<b>Restated (cents)</b>
EPS (based on consolidated net profit attributable to owners of the parent)		
- Basic earnings per share (cents)	1.6	0.9
- Diluted earnings per share (cents)	1.6	0.9

Note

- 1 Basic earnings per share is calculated by dividing profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares in issue of 244,656,195 (31 March 2017: 244,656,195) during the financial period.
- 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 (31 March 2017: 244,682,625) for the financial period.

**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**

<b>NET ASSET VALUE PER SHARE</b>	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>(cents)</b>	<b>Restated (cents)</b>	<b>(cents)</b>	<b>(cents)</b>
Net assets value per share based on existing issued share capital as at the respective dates	25.8	24.8	21.3	21.5

Net asset value per share is computed based on the number of issued shares of 244,656,195 as at 31 March 2018 (31 December 2017: 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 the financial period ended 31 March 2018 ("1Q2018") increased by 38.4% to S\$23.5m from S\$16.9m recorded a year ago ("1Q2017"). Revenue from traditional business remain constant in 1Q2018 as compared to 1Q2017. Revenue from Intellectual Properties Experience ("IPE") segment now contributes approximately 62.2% of the total revenue as compared to 43.8% in 1Q2017. The increase in revenue is almost entirely contributed by the IPE segment.

The gross profit increased by 58.1% from S\$10.3m in 1Q2017 to S\$16.4m in 1Q2018. This is mainly achieved by higher gross profit margin ("GPM") generated from IPE business undertaken by the Group in the financial period under review. This in turn, sees an improvement in the aggregate GPM from 61.1% in 1Q2017 to 69.8% in 1Q2018.

### **Other Operating Income**

	<b>Group</b>		<b>Change</b>
	<b>3 months ended</b>		
	<b>31 March</b>		
	<b>2018</b>	<b>2017</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Bank interest income	13	19	(31.6)
Government grants	7	24	(70.8)
Rental income	166	20	730.0
Miscellaneous income	104	72	44.4
<b>Total other operating income</b>	<b>290</b>	<b>135</b>	<b>114.8</b>

Other operating income increased by S\$0.2m in 1Q2018 mainly due to rental income generated from office units rented out in our office building.

### **Operating Expenses**

	<b>Group</b>		<b>Change</b>
	<b>3 months ended</b>		
	<b>31 March</b>		
	<b>2018</b>	<b>2017</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Marketing and distribution expenses	(542)	(352)	54.0
Administrative and other operating expenses	(3,020)	(2,745)	10.0
Amortisation and depreciation expenses	(3,327)	(1,416)	135.0
Staff costs	(4,112)	(3,034)	35.5
Total operating expenses	(11,001)	(7,547)	45.8
Finance costs	(1,267)	(245)	417.1
<b>Total Operating Expenses</b>	<b>(12,268)</b>	<b>(7,792)</b>	<b>57.4</b>

### **Marketing and distribution expenses**

Marketing and distribution expenses increased by S\$0.2m or 54.0% in the financial period under review mainly due to cost incurred in our rebranding exercise for the Group.

### **Administrative and other operating expenses**

Administrative and other operating expenses increased by S\$0.3m from S\$2.7m in 1Q2017 to S\$3.0m in 1Q2018. The increase was mainly due to the following:

- professional fee incurred for human resource consultancy advice and legal fees incurred for contract purpose.
- freight charges incurred for moving the travelling interactive exhibition set build to various exhibition venues.

### **Amortisation and depreciation expenses**

The Group's amortisation and depreciation expenses increased by S\$1.9m from S\$1.4m in 1Q2017 to S\$3.3m in 1Q2018. The increase was mainly due to increase of S\$1.1m in depreciation of property, plant and equipment for the new interactive exhibition sets build. Amortisation expense on intangible asset increased by S\$0.7m for the acquisition of JP Exhibition LLC in FY2017.

### **Staff costs**

Staff costs increased by S\$1.1m due to the acquisition of the JP Exhibitions LLC for the Jurassic World Exhibition, the expansion of the management team to cater to the increased businesses needs and the increase in resources within the creative team.

### **Finance costs**

Finance cost increased by approximately S\$1.0m from S\$0.3m in 1Q2017 to S\$1.3m in 1Q2018 due to interest incurred for loans obtained to acquire JP Exhibitions LLC in FY2017 and build new interactive exhibition sets.

### **Income tax expenses**

Income tax expenses for 1Q2018 comprised of tax provisions of S\$0.7m and has offset with deferred tax liabilities write back pertaining to intangible asset on licenses of S\$0.3m.

### **Profit for the year**

After considering the above factors, the Group generated net profits after tax of approximately S\$3.95m in 1Q2018, an increase of more than 80% over 1Q2017 of S\$2.2m.

### **Review of Financial Position**

The net assets value ("NAV") of the Group as at 31 March 2018 was S\$63.2m which translates into 25.8 cents per ordinary share, representing 4.0% increase from 31 December 2017 ("FY2017").

The major movements in balance sheet items are summarised as follows:

- (i) Decrease in Property, Plant & Equipment ("PPE") from S\$80.2m to S\$78.0m was mainly due to depreciation of assets during the financial period under review.
- (ii) Intangible assets reduced from S\$31.3m to S\$29.4m after amortisation. Intangible assets arose from the acquisition of Victory Hill Exhibitions Pte Ltd and JP Exhibition LLC on the contractual rights on license.
- (iii) Trade and other receivables decreased from S\$63.2m as at 31 December 2017 to S\$62.8m as at 31 March 2018 mainly due to payments received from customers. Trade and other payables have decreased from S\$54.1m to S\$33.0m after payments were made to creditors and recognition of deferred revenue in the prior period under review.
- (iv) Decrease in the contract assets mainly due to invoices were issued for work done and transferred the record to trade receivables. Contract liability increased in 1Q2018 for provision of contract cost was recorded.
- (v) Non-current borrowings and loan increased by S\$39.3m from S\$23.0m as at 31 December 2017 to S\$62.3m as at 31 March 2018. The increase was mainly due to loans drawn down from banks and financial institution for use in building of new interactive exhibition assets.

### **Cash Flows Review**

As at 31 March 2018, the Group recorded net cash used in operating activities of S\$12.7m. Higher net cash used in operating activities in 1Q2018 as compared to 1Q2017 and at the same time, higher payments were made to creditors and for project costs in 1Q2018.

The Group recorded net cash used in investing activities amounting to approximately S\$1.3m in 1Q2018 for payment of set build cost of 4th interactive exhibition travelling set (Avenger S.T.A.T.I.O.N.).

The Group recorded a net cash generated from financing activities of approximately S\$40.5m in 1Q2018. This consists of bank borrowings and trade facilities of S\$48.8m drawn down for upgrading and constructing the new interactive exhibition asset and project cost. These bank borrowings and trade facilities were partially offset by the repayments amounting to S\$8.2m in 1Q2018.

## **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**

The Group recently announced its 4th Intellectual Property with Lionsgate Studios for The Hunger Games: The Exhibition. This is an exclusive agreement to allow the Group to exploit the intellectual property globally. In addition, the agreement allows the Group to exploit other future intellectual properties of Lionsgate on a first rights basis. The agreement also expands the Group's global relationships with large global movie studios to 5, namely: Disney, Marvel, Hasbro, Universal and Lionsgate.

The Group started its Intellectual Property (IP) businesses in 2015 with a single IP license with Disney/Marvel in Avengers S.T.A.T.I.O.N., and operating in a limited territory of US and Canada, with only a single IP set. As of this 1Q2018 reporting – the Group now has 4 IPs in its portfolio and also saw for the first time since 2015, for the IP businesses to now contribute the majority of the overall Group's revenue at 62.2%. The transformation of the Group will continue in 2018. By the end of 2018, the Group expects to have a minimum of 9 to 10 permanent and traveling sets – operating and commissioned – across different parts of the world, barring any unforeseen circumstances.

The successful opening of Jurassic World – The Exhibition – in Paris, following the acquisition of the IP by the Group in 2017, will contribute positively to the Group's revenue and profits in 2018. We also evidenced interests from various cities globally to bid for the exhibition set in their cities. We have commissioned the 2nd set build for Jurassic World – The Exhibition, and are also in discussion for the 3rd and 4th exhibition sets build. The opening of the Jurassic World – Fallen Kingdom in June 2018 globally and the commitment of the studios to produce another Jurassic World movie in 2021 will augur well for the Group's investments into this IP. The Group has also put in place the financing for these sets investments.

The Group will continue to expand its IP businesses with the licensing and acquisition of new IPs from major brands and studios, and possibly expand beyond the exhibition presentation format for its IP businesses. The Group will also continue to explore new business development opportunities including mergers and acquisitions activities to continue to enhance our shareholders value.

**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**

No dividend has been declared or recommended for the current financial period ended 31 March 2018.

**13 Interested Person Transactions**

<b>Name of Interested Person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)</b>
	<b>\$'000</b>	<b>\$'000</b>
Lucrum 1 Investment Limited (interest on Shareholder's loan)	208	NA

**14 Confirmation by the Board pursuant to Rule 705(5) of the listing manual**

We, Tan Aik Ti, Ron, the Executive Chairman and Group Chief Executive Officer and Hooi Hing Lee, the Lead Independent, Non-executive Director of Cityneon Holdings Limited (the "Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited half year results for the financial period ended 31 March 2018 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

**Tan Aik Ti, Ron**  
Executive Chairman and Group Chief Executive Officer

**Hooi Hing Lee**  
Lead Independent, Non-executive Director

**15 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).

**16 Directors' responsibilities**

The Directors of the Company (including those who 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 there are no material facts not contained in this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement."

**ON BEHALF OF THE BOARD**

**Tan Aik Ti, Ron**  
Executive Chairman and Group Chief Executive Officer  
**11 May 2018**