

CIRCULAR DATED 11 OCTOBER 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Circular is issued by Cityneon Holdings Limited (the “**Company**”). If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred your ordinary shares in the capital of the Company, please forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the contents of this document, including the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

The SGX-ST has granted its in-principle approval for the listing of and quotation for the new Shares (as defined in this Circular) arising from the Share Plan (as defined in this Circular). The in-principle approval by the SGX-ST is not to be taken as an indication of the merits of the Share Plan, the new Shares, the Company and/or its subsidiaries.



CITYNEON HOLDINGS LIMITED

(Company Registration Number 199903628E)
(Incorporated in the Republic of Singapore)

CIRCULAR TO THE SHAREHOLDERS

in relation to

- (1) THE PROPOSED ADOPTION OF THE CITYNEON PERFORMANCE SHARE PLAN;**
- (2) THE PROPOSED PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE CITYNEON PERFORMANCE SHARE PLAN; AND**
- (3) THE PROPOSED PARTICIPATION OF TAN AIK TI, RON, THE EXECUTIVE CHAIRMAN, GROUP CHIEF EXECUTIVE OFFICER AND CONTROLLING SHAREHOLDER, IN THE CITYNEON PERFORMANCE SHARE PLAN**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	24 October 2017 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	26 October 2017 at 11.00 a.m.
Place of Extraordinary General Meeting	:	84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584

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DEFINITIONS

The following definitions apply throughout this Circular unless otherwise stated:

- “Acquisition” : The acquisition of 128,458,590 Shares by Lucrum 1 Investment Limited from Laviani Pte. Ltd., pursuant to a share purchase agreement dated 12 May 2017, following which Lucrum 1 Investment Limited made a mandatory unconditional cash offer for all the issued and paid-up Shares
- “Associate” : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditor” : The auditor of the Company as at the Latest Practicable Date
- “Award” : A contingent award of Shares granted under the Share Plan
- “Award Letter” : A letter in such form as the Committee shall approve, confirming an Award granted to a Participant by the Committee
- “Board of Directors” or “Board” : The board of directors of the Company as at the Latest Practicable Date
- “CDP” : The Central Depository (Pte) Limited
- “Circular” : This circular to Shareholders dated 11 October 2017
- “Committee” : A committee comprising Directors duly authorised, appointed and nominated by the Board to administer the Share Plan, in the absence of which shall be the remuneration committee of the Company from time to time
- “Companies Act” : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “Company” : Cityneon Holdings Limited
- “Constitution” : The constitution of the Company
- “Control” : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

DEFINITIONS

“Controlling Shareholder”	:	A person who:- (a) holds directly or indirectly 15% or more of the total issued Shares; or (b) in fact exercises Control over the Company
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EGM”	:	The extraordinary general meeting of the Company to be held on 26 October 2017, notice of which is given on page 35 of this Circular
“EPS”	:	Earnings per share
“Executive Director”	:	A director of the Company who performs an executive function
“FY”	:	Financial year of the Company ended or ending 31 December (as the case may be)
“Grant Date”	:	In relation to an Award, the date on which the Award is granted
“Group”	:	The Company and its Subsidiaries as at the date of this Circular
“Group Employee”	:	Any directors (including Executive Directors) of the Group or its confirmed full-time employees who are of the age of 18 years and above
“Independent Director”	:	The independent non-executive director of the Company
“Latest Practicable Date”	:	2 October 2017, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST and its relevant rules, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Market Price”	:	The average of the closing price for a Share as determined by reference to the closing prices of the Shares for the three consecutive Market Days immediately preceding the date on which the Award vests
“Non-Executive Director”	:	A director of the Company who is not an Executive Director
“NTA”	:	Net tangible assets
“Participant”	:	Any eligible person who is selected by the Committee to participate in the Share Plan in accordance with the rules thereof
“Performance Condition”	:	In relation to performance-related Awards, the condition(s) specified on the Grant Date in relation to that Award
“Performance Share Plan” or “Share Plan”	:	The proposed Cityneon Performance Share Plan, as may be amended or modified from time to time
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)

DEFINITIONS

“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the share capital of the Company
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Substantial Shareholder”	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued Shares
“Vesting Period”	:	In relation to an Award, a period or periods, the duration of which is to be determined by the Committee at the date of the grant of the Award
“VHE”	:	Victory Hill Exhibitions Pte. Ltd., the wholly-owned subsidiary of the Company

Currencies, Units and Others

“\$” or “cents”	:	Singapore dollars and cents respectively
“%” or “per cent”	:	Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The term “Subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Unless otherwise defined in the Section entitled “Definitions” of this Circular, all terms and expressions used herein shall have the meanings defined in Rule 2 of Appendix I of this Circular.

LETTER TO SHAREHOLDERS

CITYNEON HOLDINGS LIMITED

(Company Registration Number 199903628E)
(Incorporated in the Republic of Singapore)

Directors:

Tan Aik Ti, Ron *(Executive Chairman and
Group Chief Executive Officer)*
Hooi Hing Lee *(Lead Independent Non-Executive Director)*
Kwok Chi Shing *(Independent Non-Executive Director)*
Poon Lai Yin Michael *(Independent Non-Executive Director)*
Duan Mengying *(Non-Executive Director)*

Registered Office:

84 Genting Lane
#06-01
Cityneon Design Centre
Singapore 349584

11 October 2017

To: The Shareholders of Cityneon Holdings Limited

- (1) THE PROPOSED ADOPTION OF THE CITYNEON PERFORMANCE SHARE PLAN;**
- (2) THE PROPOSED PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE CITYNEON PERFORMANCE SHARE PLAN; AND**
- (3) THE PROPOSED PARTICIPATION OF TAN AIK TI, RON, THE EXECUTIVE CHAIRMAN, GROUP CHIEF EXECUTIVE OFFICER AND CONTROLLING SHAREHOLDER, IN THE CITYNEON PERFORMANCE SHARE PLAN**

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Board proposes to convene the EGM to be held on 26 October 2017 to seek the approval of the Shareholders for the proposed adoption of the Share Plan.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the proposed adoption of the Cityneon Performance Share Plan to be tabled at the EGM.

2. PROPOSED ADOPTION OF THE CITYNEON PERFORMANCE SHARE PLAN

2.1 Rationale for Cityneon Performance Share Plan

The Company had previously approved and adopted the Cityneon employee share option scheme on 15 September 2005, which has expired on 14 September 2015. The Company has undertaken a review of employee remuneration and benefits and wishes to introduce a new compensation scheme that promotes higher performance goals and recognises exceptional achievement. The Company has taken steps to align itself with and embrace local trends and best practices in compensation.

The Share Plan contemplates the award of fully-paid Shares to Participants after certain pre-determined benchmarks have been met. The Company believes that the Share Plan will be more effective and rewarding than pure cash bonuses in motivating employees to work towards pre-determined goals.

With that in mind, the Share Plan is based on the principle of pay-for-performance and is designed to enable the Company to reward, retain and motivate employees to achieve superior performance. The purpose of adopting the Share Plan is to give the Company greater flexibility to align the interests of employees with the interests of Shareholders. The Share Plan will:-

LETTER TO SHAREHOLDERS

- (a) provide an opportunity for Participants to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
- (b) motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;
- (c) give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
- (d) make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

As such, the Share Plan is intended to motivate the Group Employees towards better performance through dedication and loyalty. The Share Plan, which forms an integral and important component of a compensation plan, is designed to reward and retain the Group Employees whose services are vital to the well-being and success of the Group.

2.2 Overview of the Share Plan

The Share Plan is designed to reward its Participants by the issue and/or transfer of fully-paid Shares according to the extent to which they complete certain time-based service conditions or achieve their performance targets over set performance periods.

Awards granted under the Share Plan may be time-based or performance-related, and in each instance, shall vest only:-

- (a) where the Award is time-based, after the satisfactory completion of time-based service conditions, that is, after the Participant has served the Group for a specified number of years (such Awards being “**time-based Awards**”); or
- (b) where the Award is performance-related, after the Participant achieves a pre-determined performance target (such Awards being “**performance-related Awards**”).

A time-based Award may be granted, for example, as a supplement to the cash component of the remuneration packages of senior executive officers, whom the Company seeks to attract and recruit. A performance-related Award may be granted, for example, with a Performance Condition based on the successful completion of a project or the successful achievement of certain quantifiable Performance Conditions, such as revenue growth, increased profitability, or productivity enhancement.

The rules of the Share Plan are in compliance with the rules of Listing Manual relating to share schemes.

On 28 September 2017, the SGX-ST granted in-principle approval for the listing of and quotation for the Shares to be issued pursuant to the Share Plan on the Official List of the SGX-ST, subject to:

- (a) The Company’s compliance with the SGX-ST’s listing requirements and guidelines;
- (b) Shareholders’ approval for the proposed adoption of the Share Plan at the EGM to be convened; and
- (c) Submission of notification in Rule 864(4) of the Listing Manual, if applicable, upon any significant changes affecting the matter in the application.

The in-principle approval by the SGX-ST is not an indication of the merits of the Share Plan, the new Shares, the Company and/or its subsidiaries.

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2.3 Limitation on the size of the Share Plan

The aggregate number of new Shares over which the Committee may grant Awards on any date, when added to the aggregate number of Shares issued and issuable in respect of all Shares granted under the Share Plan and any other share schemes to be implemented by the Company shall not exceed 15% (or such other percentage as may be prescribed or permitted from time to time by the SGX-ST) of the total issued Shares (excluding Treasury Shares, if any) on the day immediately preceding the Grant Date (the “**Plan Limit**”).

2.4 Awards granted under the Share Plan

The Awards granted under the Share Plan allow a Participant to receive fully-paid Shares free of consideration upon the Participant completing the time-based service condition or the achieving the Performance Condition(s) prescribed by the Committee at its absolute discretion.

The selection of a Participant the number of Shares which are the subject of each Award granted to a Participant and the prescribed Vesting Period shall be determined at the absolute discretion of the Committee. The Committee plans to exercise this discretion judiciously, taking into account criteria such as the Participant’s rank, job performance, years of service, potential for further development, contribution to the success and development of the Company and the extent of effort required to achieve the Performance Condition(s) within the performance period.

The Committee shall decide, in relation to each Award to be granted:-

- (a) the Participant;
- (b) the Grant Date;
- (c) the number of Shares which are the subject of the Award;
- (d) in the case of a performance-related Award:-
 - (i) the performance period; and
 - (ii) the Performance Condition(s);
- (e) the Vesting Period(s); and
- (f) the schedule setting out the extent to which Shares will be released on satisfaction of the performance target(s) (the “**Release Schedule**”) (if any).

Awards may be granted at any time the Share Plan is in force. As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award letter confirming the Award and specifying in relation to the Award:-

- (a) the Grant Date;
- (b) the number of Shares which are the subject of the Award;
- (c) in the case of a performance-related Award:-
 - (i) the performance period; and
 - (ii) the Performance Condition(s);
- (d) the Vesting Period(s); and
- (e) the Release Schedule (if any).

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Special provisions apply for the vesting and lapsing of Awards, including the following:-

- (a) the termination of the employment of the Participant;
- (b) the ill health, injury, disability or death of a Participant;
- (c) the bankruptcy of a Participant;
- (d) the misconduct or a breach of term of employment contract of a Participant; and
- (e) a take-over, winding up or reconstruction of the Company.

The offer of the Award shall be personal to the Participant to whom it is granted and any Award granted and accepted by a Participant under the Share Plan shall not be transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part during a specified period set out in the Award Letter, unless approved by the Committee, but may be exercised by the Participant's duly appointed personal representative in the event of the death of the Participant.

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will deliver Shares to Participants upon vesting of their Awards by way of an issue of new Shares and/or the transfer of Treasury Shares (if any) (through the purchase of existing Shares for delivery to Participants pursuant to the share buy-back mandate of the Company, if any).

In determining whether to issue new Shares or to purchase existing Shares to satisfy the Awards, the Company shall have the right to take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing new Shares or purchasing existing Shares.

New Shares allotted and issued and/or Treasury Shares transferred (if any) on the release of an Award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions or rights of holders of Shares.

The Committee shall have the discretion to determine whether the performance target(s) have been satisfied (whether fully or partially) or exceeded, and in making any such determination, the Committee shall have the right to make reference to the audited results of the Company, or to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if the Committee decides that a changed performance target would be a fairer measure of performance.

As at the Latest Practicable Date, the Company has not obtained any share buy-back mandate from its Shareholders and hence, the Company will not be able to purchase its own Shares for the time being.

2.5 Summary of the Share Plan

The rules of the Share Plan are set out in Appendix I to this Circular. The following is a summary of the rules of the Share Plan:-

2.5.1 Eligibility

The following persons are eligible to participate in the Share Plan at the absolute discretion of the Committee:-

- (a) confirmed full-time employees of the Group who are of the age of 18 years and above (including Controlling Shareholder(s) and Associate(s) of Controlling Shareholder(s)); and

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- (b) the directors of the Company and its subsidiaries (including Non-Executive Directors and Independent Directors)

who, in the opinion of the Committee, have contributed or will contribute to the success and the development of the Group, provided that such persons are not undischarged bankrupts and have not entered into any compositions with their respective creditors.

Subject to and conditional upon the passing of Ordinary Resolution 1 for the adoption of the Share Plan, approval of independent Shareholders is separately sought at the EGM pursuant to Section 169(1) of the Companies Act and Rule 855(3) of the Listing Manual for the participation of the Non-Executive Directors (including Independent Directors) in the Share Plan.

Subject to and conditional upon the passing of Ordinary Resolution 1 for the adoption of the Share Plan, approval of independent Shareholders is also separately sought at the EGM pursuant to Rule 853 of the Listing Manual for the participation of Controlling Shareholders(s) and/or Associate(s) of Controlling Shareholder(s). The terms of each grant and the actual number of Awards granted under the Performance Share Plan to a Controlling Shareholder or an Associate of a Controlling Shareholder shall be approved by the independent Shareholders in separate resolutions for each such person.

Save for Tan Aik Ti, Ron, directors and employees of:

- (a) The Company's parent company, Lucrum 1 Investment Limited; or
- (b) The respective parent companies and subsidiaries of Lucrum 1 Investment Limited,

shall not be eligible to participate in the Performance Share Plan.

Participants who participate in the Performance Share Plan are eligible to participate in other plans implemented by other companies in the Group if approved by the Committee.

The Committee shall have absolute discretion to decide whether a person who is participating in the Share Plan shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group.

Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Performance Share Plan may be amended from time to time at the absolute discretion of the Committee.

2.5.2 Operation of the Share Plan

Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:-

- (a) an issue of new Shares;
- (b) the purchase of existing Shares; and/or
- (c) payment of the aggregate Market Price of the Shares in cash in lieu of allotment or transfer.

In determining whether to issue new Shares or to purchase existing Shares for delivery to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the financial effect on the Company of either issuing new Shares or purchasing existing Shares.

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As at the date of this Circular, the Company has not obtained any share buy-back mandate from its Shareholders and hence, the Company will not be able to purchase its own Shares for the time being.

2.5.3 Share Plan Administration

The Share Plan shall be administered by the Committee with such discretion, powers and duties as are conferred on it by the Board of Directors. A member of the Committee shall not be involved in the deliberations of the Committee in respect of the grant of Awards to him. In exercising its discretion, the Committee must act in accordance with any guidelines that may be provided by the Board of Directors. The Committee shall refer any matter not falling within the scope of its terms of reference to the Board of Directors.

The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Share Plan) for the implementation and administration of the Share Plan, to give effect to the provisions of the Share Plan and/or to enhance the benefit of the Awards and the released Awards to the Participants, as it may, at its absolute discretion, think fit.

Any decision of the Committee, made pursuant to any provision of the Share Plan (other than a matter to be certified by the Auditor), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Share Plan or any rule, regulation, or procedure thereunder or as to any rights under the Share Plan).

2.5.4 Grant of Awards

Awards represent the right conferred by the Company on a Participant to be issued or transferred Shares in the Company, free of charge, in accordance with the Share Plan.

The Committee may grant Awards at any time, except for:

- (a) the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting;
- (b) the one month before the announcement of the Company's half-year or full-year financial statement, as the case may be; or
- (c) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the second Market Day on which such announcement is made.

Where the grant of Awards to any Participant is subject to approval of specific resolution at a general meeting, the Committee shall grant such approved Awards within 30 days from the conclusion of the general meeting that approved the resolution.

The Committee may in the case of performance-related Awards, amend or waive the Vesting Period(s), the performance period and/or the Performance Condition in respect of any Award:-

- (a) if anything happens which causes the Committee to conclude that:-
 - (i) an amended Performance Condition would be a fairer measure of performance and would be no less difficult to satisfy; or
 - (ii) the Performance Condition should be waived; or

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- (b) in the event of a general offer (whether conditional or unconditional) being made for all or any part of the Shares of the Company, or a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act, or a proposal to liquidate or sell all or substantially all of the assets of the Company;

and the Committee shall notify the Participants of such amendment or waiver (but accidental omission to give notice to any Participant(s) shall not invalidate any such amendment or waiver).

Participants are not required to pay for the grant of Awards.

An Award or released Award shall be personal to the Participant to whom it is granted and no Award or released Award or any rights thereunder shall be transferred, charged, assigned, pledged, mortgaged, encumbered or otherwise disposed of, in whole or in part, during a specified period as set out in the Award Letter unless approved by the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or released Award that Award or released Award shall immediately lapse.

2.5.5 Release of Awards

Subject as provided in the Share Plan, an Award shall be released, in accordance with any conditions that the Committee may, at its absolute discretion specify in the letter of offer.

Shares which are the subject of a released Award shall be vested to a Participant on the vesting date, and within 10 Market Days of the vesting date, the Committee will procure the allotment of such new Shares and/or transfer of such existing Shares (including Treasury Shares, if any) to each Participant of the number of Shares so determined in accordance with the Award.

Where new Shares are allotted upon the vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the SGX-ST for the listing and quotation of such Shares.

New Shares which are allotted and/or existing Shares (including Treasury Shares, if any) which are transferred on the release of an Award to a Participant shall be registered in the name of, or transferred to, CDP to the credit of the Securities Account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent.

For (a) new Shares allotted and issued; (b) existing Shares procured by the Company on behalf of the Participants for transfer; and (c) Treasury Shares (if any) held by the Company for transfer, upon the release of an Award shall be subject to all the provisions of the Constitution of the Company, and shall be eligible for all entitlements, including dividends, rights, allotments or other distributions the Record Date for which is on or after the relevant vesting date and (subject as aforesaid) will rank *pari passu* in all respects with the Shares then existing.

2.5.6 Events Prior to Vesting Date

An Award to the extent not yet released, shall forthwith become void and cease to have effect on the occurrence of any of the following events (and in such an event, the Participant shall have no claim whatsoever against the Company, its Directors or employees):-

- (a) misconduct or breach of term of employment contract on the part of the Participant as determined by the Committee at its discretion;

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- (b) subject as provided in the Share Plan, the Participant, for any reason whatsoever (whether by reason of wrongful dismissal or otherwise) ceases to be in the employment of the Company and/or any subsidiary or in the event the company by which the Participant is employed ceases to be a company in the Group; and/or
- (c) the Participant commits any breach of any of the terms of his Awards; and/or
- (d) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of such Award.

The Awards shall be deemed not to have become void nor cease to have effect in accordance with the Share Plan if a Participant ceases to be employed before the release by reason of:-

- (a) death of the Participant;
- (b) ill-health, injury, disability or accident (in each case evidenced to the satisfaction of the Committee); or
- (c) any other ground where the release of the Award has been approved by the Committee in writing,

the Committee may waive the Vesting Period for all or any of the Awards not yet released to the Participant or his duly appointed representative(s) under any of the above stated circumstances.

Subject as provided in the Share Plan, in the event of a take-over offer (whether conditional or unconditional) being made for all or any part of the Shares, all Awards to the extent not yet released shall be released to all Participants and the Vesting Period waived so that they be entitled to exercise their rights under the take-over offer.

If before the vesting date, any of the following occurs:-

- (a) a scheme of arrangement or compromise between the Company and its Shareholders being sanctioned by the court under the Companies Act;
- (b) an order for the compulsory winding up of the Company is made;
- (c) a resolution for a voluntary winding up (other than for amalgamation or reconstruction) of the Company being made; or
- (d) a notice of amalgamation is issued by the relevant authority for the purpose of, or in connection with the amalgamation of the Company with another company or companies,

the Committee may consider, at its discretion, whether or not to release any Award. If the Committee decides to release any Award, then in determining the number of Shares to be vested in respect of such Award, the Committee will have regard to the proportion of the Vesting Period(s) which has elapsed and the extent to which the Performance Condition (if any) has been satisfied. Where Awards are released, the Committee will, as soon as practicable after Awards have been released, procure the allotment of such new Shares and/or transfer of such existing Shares (including Treasury Shares, if any) to each Participant of the number of Shares so determined in accordance with such Award, such allotment and/or transfer to be made in accordance with the Share Plan.

LETTER TO SHAREHOLDERS

2.5.7 Duration of the Share Plan

The Share Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date on which the Share Plan is adopted by the Company in a general meeting, provided always that the Share Plan may continue beyond the above stipulated period with the approval of Shareholders by an ordinary resolution in general meeting and of any relevant authorities which may then be required.

The termination of the Share Plan shall not affect Awards which have been granted and accepted, whether such Awards have been released (whether fully or partially) or not.

2.5.8 Adjustment Events

If a variation in the share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision, consolidation, or distribution, or otherwise howsoever) shall take place, then:-

- (i) the class and/or the number of Shares which are the subject of an Award to the extent not yet vested and the rights attached thereto; and/or
- (ii) the class and/or the maximum number of Shares over which future Awards may be granted under the Share Plan,

may be adjusted in such manner as the Committee may determine to be appropriate.

No adjustment shall be made if, as a result the Participant receives a benefit that a Shareholder does not receive and any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditor (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Unless the Committee considers an adjustment to be appropriate, the issue of securities as consideration for a private placement of Shares or as consideration for or in connection with an acquisition of any assets or upon the exercise of any options or conversion of any loan stock or any other securities convertible into Shares or subscription rights of any warrants or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Official List of the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force, will not be regarded as circumstance requiring adjustment.

When any adjustment has to be made pursuant to the Share Plan, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and number of new Shares and/or existing Shares (including Treasury Shares, if any) thereafter to be issued or transferred respectively on the vesting of an Award and the date on which any adjustment shall take effect.

The Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditor to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditor (acting only as experts and not as arbitrators) to be in their opinion appropriate.

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2.5.9 Modifications to the Share Plan

Any or all of the provisions of the Share Plan may be modified and/or altered at any time and from time to time by a resolution of the Board on the recommendation of the Committee, save that:-

- (a) any modification or alteration which adversely affects the rights attaching to any Award granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if the Awards were released to them would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued in full of all outstanding awards under the Share Plan;
- (b) any modification or alteration which would be to the advantage of the Participants under the Share Plan shall be subject to the prior approval of Shareholders in general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Manual and the approval of the SGX-ST and such other regulatory authorities as may be necessary.

The opinion of the Committee as to whether any modification or alteration would materially and adversely alter the rights attaching to any Award or be to the advantage of the Participants shall be final and conclusive.

The Committee may at any time by a resolution (and without other formality or approval of the Participants, save for the prior approval of the SGX-ST) amend or alter the Share Plan in any way to the extent necessary to cause the Share Plan to comply with any statutory provision or the provision of the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

Written notice of any modification or alteration made in accordance with the above shall be given to all Participants but accidental omission to give notice to any Participant(s) shall not invalidate any such modifications or alterations.

Shareholders who are eligible to participate in the Share Plan shall abstain from voting on any resolution relating to the Share Plan.

2.5.10 Disclosure in Annual Report

The Company shall make the following disclosures in its annual report to Shareholders for the duration of the Share Plan:-

- (i) the names of the members of the Committee administering the Share Plan;
- (ii) the information in the table below for:-
 - (aa) Participants who are Directors;
 - (bb) Participants who are Controlling Shareholders or Associates of Controlling Shareholders;

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- (cc) Participants other than those in paragraphs (aa) and (bb) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the Share Plan;

Name of Participant	Awards granted during financial year under review (including terms)	Aggregate Awards granted since commencement of Share Plan to end of financial year under review	Aggregate Awards released since commencement of Share Plan to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review

- (iii) if any of the above is not applicable, an appropriate negative statement must be included;
- (iv) such other information as may be required by the Listing Manual and the Act; and
- (v) Participants were not required to pay for the grant of any Awards to them.

2.6 Financial Effects of the Share Plan

2.6.1 Cost of Awards

Financial Reporting Standard 102 (“FRS 102”) relating to share-based payment takes effect for all listed companies beginning 1 January 2005. The Awards if settled by way of issue of new Shares or the purchase of existing Shares, would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to profit or loss over the period between the Grant Date and the vesting date of an Award. The total amount of the charge over the Vesting Period is determined by reference to the fair value of each Award granted at the Grant Date and where there are non-market conditions attached (see the following paragraph), the number of Shares vested at the vesting date, with a corresponding credit to reserve account. Before the end of the Vesting Period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is subject to revision, and the impact of the revised estimate will be recognised in profit or loss with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to profit or loss will be made.

The amount charged to profit or loss would be the same whether the Company settles the Awards by issuing new Shares or by purchasing existing Shares. The amount of the charge to the profit or loss also depends on whether or not the performance target attached to an Award is a “market condition”, that is, a condition which is related to the market price of the Shares. If the performance target is a market condition, the probability of the performance target being met is taken into account in estimating the fair value of the Shares granted at the Grant Date, and no adjustments to amounts charged to profit or loss is made if the market condition is not met. On the other hand, if the performance target is not a market condition, the probability of the target being met is not taken into account in estimating the fair value of the Shares granted at the Grant Date. Instead, it is subsequently considered at each accounting date in assessing whether the Awards would vest. Thus, where the vesting conditions do not include a market condition, there would be no charge to profit or loss if the Awards do not ultimately vest.

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2.6.2 Share Capital

The Share Plan will result in an increase in the Company's issued share capital only if new Shares are issued to Participants. The number of new Shares issued will depend on, *inter alia*, the size of the Awards granted under the Share Plan. However, if existing Shares are purchased for delivery to Participants in lieu of issuing new Shares to Participants, the Share Plan will have no impact on the Company's issued share capital.

2.6.3 NTA

The Share Plan will result in a charge to the Company's and Group's statements of profit or loss which is equal to the fair value of the Awards over the period from the Grant Date to the vesting date. In addition, when new Shares are issued under the Share Plan, there would be no effect on the NTA of the Group and the Company. If existing Shares are purchased for delivery to Participants, the NTA of the Group and the Company would decrease by the cost of Shares purchased.

Although the Share Plan will result in a charge to the income statements of the Company and the Group, it should be noted that Awards are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute to its success including financial performance. In particular, the grant of Awards and delivery of Shares to Participants of the Share Plan are contingent upon the Participants meeting prescribed performance targets. Therefore, Participants would have contributed to or will contribute to value add to the NTA of the Company and the Group before the Awards are granted and Shares delivered.

2.6.4 EPS

The Share Plan will result in a charge to earnings equivalent to the fair value of the Awards at the Grant Date over the period from the Grant Date to the vesting date.

Although the Share Plan will have a dilutive impact on the EPS of the Company and the Group, the delivery of Shares to Participants in respect of Awards granted under the Share Plan, is contingent upon the Participants meeting prescribed performance targets. Presumably, the earnings of the Company and the Group would have grown before the Awards are granted and Shares delivered.

2.6.5 Dilutive Impact

It is expected that any dilutive impact of the Share Plan on the NTA and the EPS would not be significant.

2.7 Rationale and justification for participation by the Non-Executive Directors

Under the rules of the Listing Manual, the Group has some flexibility in formulating a scheme that recognises and benefits not only persons who are in the employment of the Group but also the Non-Executive Directors (including Independent Directors) who are not employed by the Group but who nevertheless work closely with the Group and/or are in the position to contribute their experience, knowledge and expertise to the success of the Group. The Performance Share Plan is extended to the Non-Executive Directors (including Independent Directors) of the Group.

Although the Non-Executive Directors (including Independent Directors) are not involved in the day-to-day running of the Group, they also play an invaluable role in the Group's success by applying their experience, drawing on their knowledge and utilising their expertise for the benefit of the Group. It is desirable that the Non-Executive Directors (including Independent Directors) be allowed to participate in the Performance Share Plan to give recognition to their services and contributions and to further align their interests with that of the Group.

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In order to minimise any possible conflicts of interest, and so as not to compromise the objectivity of independent members of the Board who may, in the future, be selected to participate in the Performance Share Plan, the Non-Executive Directors (including Duan Mengying and Independent Directors) would primarily continue to be remunerated for their services by way of Directors' fees. The Committee when deciding on the selection of the Non-Executive Directors (including Independent Directors) to participate in the Performance Share Plan and the number of Awards to be offered (in accordance with the Performance Share Plan) will take into consideration the nature and extent of their input, assistance and expertise rendered to the committees on which they sit and the impact thereof on the growth, success and development of the Company and the Group, as well as their involvement and commitment to the Board. Such Directors will abstain from making any recommendation as a Director and abstain from voting as a member of the Company (if applicable) when the grant of Awards to him is being considered.

2.8 Rationale and justification for participation by Controlling Shareholders and their Associates

The Company is of the view that all deserving and eligible Participants who have contributed to the success and development of the Group should be equally entitled to take part and benefit from the Company's fair and equitable system of remuneration, regardless of whether they are Controlling Shareholders or Associates. The Performance Share Plan is intended to be part of the remuneration package for employees of the Group and the Board is of the view that employees who are Controlling Shareholders or Associates of Controlling Shareholders should not be unduly discriminated against by virtue only of their shareholding in the Company or their relation to Controlling Shareholders (as the case may be).

It is in the Group's interest that these participants who are actively contributing to the Group's progress and development are given the incentive to continue to remain with the Company and contribute towards the Group's future progress and development. As such, the terms of the Plan do not differentiate between Controlling Shareholders and their Associates from other employees in determining their eligibility.

Nevertheless, as a safeguard against abuse, where Awards are proposed to be granted to Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Controlling Shareholders shall be involved in the deliberations of the same.

2.9 Rationale and justification for participation by Tan Aik Ti, Ron, the Executive Chairman and Controlling Shareholder of the Company, who is also the Group Chief Executive Officer

As at the Latest Practicable Date, Tan Aik Ti, Ron who is the Executive Chairman of the Company and the Group Chief Executive Officer, is the only Controlling Shareholder eligible to participate in the Share Plan. Tan Aik Ti, Ron was appointed as Executive Director of the Company in connection with the acquisition of VHE which was completed on 30 September 2015. The Group develops and produces exhibitions through VHE and its wholly-owned subsidiaries, such as the Avengers S.T.A.T.I.O.N. (Scientific Training and Tactical Intelligence Operative Network) exhibition currently being exhibited in countries which include the United States of America, South Korea, France, Singapore, China and Taiwan. Tan Aik Ti, Ron's main responsibilities as the Executive Chairman of the Company and Group Chief Executive Officer are, *inter alia*, overseeing, monitoring and managing the overall operations, business and finances of the exhibition business of the Group, including actively sourcing for opportunities to acquire further intellectual property rights for development and exhibition by the Group.

The extension of the Performance Share Plan to Tan Aik Ti, Ron is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Tan Aik Ti, Ron is a Controlling Shareholder of the Company, the extension of the Performance Share Plan to him will ensure that he is equally entitled, with the other employees, to take part in and benefit from this system

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of remuneration, thereby enhancing his long term commitment to the Company. For the above reasons, the Directors believe that Tan Aik Ti, Ron deserves, and should be allowed to participate in the Performance Share Plan. The Group has not employed any Associates of Tan Aik Ti, Ron as at the Latest Practicable Date.

The aggregate number of Shares available to the Controlling Shareholders and Associates of Controlling Shareholders will not exceed 25% of the Shares under the Performance Share Plan, and the number of Shares available to each Controlling Shareholder or Associates of Controlling Shareholders will not exceed 10% of the Shares under the Performance Share Plan. Pursuant to Rule 853 of the Listing Manual, and subject to the adoption of the Performance Share Plan, independent Shareholders' approval will be sought for the grant of awards to Controlling Shareholders and their Associates. The Company will seek independent Shareholders' approval before granting any Award to Controlling Shareholders and their Associates and will specify in the relevant resolution the number of Shares to be granted pursuant to such Award.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares at the Latest Practicable Date are as follows:

	Direct Interests		Deemed Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Tan Aik Ti, Ron ⁽²⁾	–	–	168,692,268	68.95
Hooi Hing Lee	–	–	–	–
Kwok Chi Shing	–	–	–	–
Poon Lai Yin Michael	–	–	–	–
Duan Mengying	–	–	–	–
Substantial Shareholders (other than Directors)				
Lucrum 1 Investment Limited ("Lucrum")	168,692,268	68.95	–	–
Philadelphia Investments Ltd ("Philadelphia") ⁽³⁾	–	–	168,692,268	68.95
Massive Right Investments Limited ("Massive Right") ⁽⁴⁾	–	–	168,692,268	68.95
Geng Zhihua ⁽⁵⁾	–	–	168,692,268	68.95

Notes:-

- (1) The percentage shareholding interest is based on 244,656,195 total issued Shares as at the Latest Practicable Date and rounded to the nearest two decimal places. The Company has no Treasury Shares or subsidiary holdings as at the Latest Practicable Date.
- (2) Notwithstanding that Tan Aik Ti, Ron's shareholding in Lucrum through Philadelphia is less than 20%, he has on 16 May 2017 notified the Company that he considers himself to be deemed interested in the Shares held by Lucrum by virtue of (a) his 15.5% interest in Lucrum (through his 100% shareholding in Philadelphia), (b) being a director of Lucrum, the Company and Philadelphia, and (c) through the Acquisition, Tan Aik Ti, Ron, with the support of Massive Right and Mutual Power International Limited, has acquired the Shares of Laviani Pte. Ltd. by way of a management buy-out exercise. Please refer to the Notification Form for Director in respect of Interests in Securities (Form 1) dated 16 May 2017 released by the Company on behalf of Tan Aik Ti, Ron.

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- (3) Notwithstanding that Philadelphia's shareholding in Lucrum is less than 20%, Philadelphia has on 16 May 2017 notified the Company that it considers itself to be deemed interested in the Shares held by Lucrum by virtue of (a) its 15.5% shareholding in Lucrum, (b) its director, Tan Aik Ti, Ron, who is also a director of the Company, Philadelphia and Lucrum, and (c) through the Acquisition, Tan Aik Ti, Ron, with the support of Massive Right and Mutual Power International Limited, has acquired the Shares of Laviani Pte. Ltd. by way of a management buy-out exercise. Please refer to the Notification Form for Substantial Shareholder(s) in respect of Interests in Securities (Form 3) dated 16 May 2017 released by the Company on behalf of Philadelphia.
- (4) Massive Right is deemed to be interested in the Shares held by Lucrum by virtue of its 76.0% shareholding in Lucrum, pursuant to Section 4(5) of the SFA.
- (5) Geng Zhihua is a director of Lucrum, and holds 100.0% of the voting interests in Massive Right. He is deemed to be interested in the Shares held by Lucrum by virtue of Section 4(5) of the Securities and Futures Act.

4. DIRECTORS' RECOMMENDATION

All of the Directors are potentially eligible to participate in, and are therefore interested in, the Share Plan. Accordingly, the Directors have abstained from making any recommendation to Shareholders on Ordinary Resolutions 1 to 3 in respect of the Cityneon Performance Share Plan set out in pages 35 and 36 of this Circular.

5. ABSTENTION FROM VOTING

All of the Directors, all employees of the Group and any other Shareholders who are potentially eligible to participate in the Share Plan, are interested in the Share Plan. Accordingly, the Directors, all employees of the Group, any other Shareholders eligible to participate in the Share Plan, and their respective Associates who are Shareholders shall abstain from voting on Ordinary Resolution 1 in respect of the proposed adoption of the Cityneon Performance Share Plan.

The Directors, all employees of the Group, any other Shareholders who are eligible to participate in the Share Plan and their respective Associates, shall also decline to accept the appointment of proxies for any Shareholder to vote in respect of Ordinary Resolution 1 unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of such resolutions.

The Non-Executive Directors (including Independent Directors) are interested in Ordinary Resolution 2 relating to the proposed participation of the Non-Executive Directors (including Independent Directors) in the Cityneon Performance Share Plan and accordingly shall abstain from voting in respect of Ordinary Resolution 2, and shall procure that their Associates also abstain from voting on the same. The Non-Executive Directors (including Independent Directors) and their Associates shall also decline to accept the appointment of proxies for any Shareholder to vote in respect of Ordinary Resolution 2 unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of such resolutions.

Tan Aik Ti, Ron is interested in Ordinary Resolution 3 relating to his proposed participation in the Cityneon Performance Share Plan and accordingly he and his Associates shall abstain from voting in respect of Ordinary Resolution 3. Tan Aik Ti, Ron and his Associates shall also decline to accept the appointment of proxies for any Shareholder to vote in respect of Ordinary Resolution 3 unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of such resolutions.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 35 of this Circular, will be held at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584 on 26 October 2017 at 11.00 a.m., for the purpose of considering and, if thought fit, passing the Ordinary Resolution set out in the Notice of EGM.

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7. ACTION TO BE TAKEN BY THE SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584 not less than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM to speak and vote thereat unless his name appears in the Depository Register as at 72 hours before the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this circular constitutes full and true disclosure of all material facts about the Share Plan, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9. INSPECTION OF DOCUMENTS

The following may be inspected at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution;
- (b) the proposed rules of the Cityneon Performance Share Plan; and
- (c) the Annual Report of the Company for the financial year ended 31 December 2016.

Yours faithfully
For and on behalf of Cityneon Holdings Limited

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

APPENDIX I – RULES OF CITYNEON PERFORMANCE SHARE PLAN

1. Name of the Performance Share Plan

The Performance Share Plan shall be called the “Cityneon Performance Share Plan”.

2. Definitions

2.1 In the Performance Share Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:–

- “Adoption Date” : The date on which the Performance Share Plan is adopted by the Company in an extraordinary general meeting
- “Associate” : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder of a corporation (being an individual) means:–
- (i) his immediate family;
 - (ii) a trustee, acting in his capacity as such trustee, of any trust of which the individual or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any corporation in which he and his immediate family (directly or indirectly) have interests in Shares of an aggregate of not less than 30% of the total votes attached to all Shares
- (b) in relation to a substantial shareholder or controlling shareholder of a corporation (being a corporation) means any other corporation which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have interests in Shares of an aggregate of not less than 30% of the total votes attached to all Shares
- “Auditor” : The auditor of the Company for the time being
- “Award” : A contingent award of Shares under the Cityneon Performance Share Plan
- “Awards Committee” : A committee comprising directors of the Company, duly authorised, appointed and nominated by the Board to administer the Performance Share Plan, in the absence of which shall be the remuneration committee of the Company from time to time
- “Board” : The board of directors for the time being of the Company
- “CDP” : The Central Depository (Pte) Limited
- “Companies Act” : The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time

APPENDIX I – RULES OF CITYNEON PERFORMANCE SHARE PLAN

“Company”	:	Cityneon Holdings Limited, a company incorporated in the Republic of Singapore
“Constitution”	:	The constitution of the Company
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies
“Controlling Shareholder”	:	A person who:- (a) holds directly or indirectly 15% or more of the aggregate of the votes attached to all the Shares; or (b) in fact exercises Control over the Company
“Executive Director”	:	A director of the Company who performs an executive function
“Grant Date”	:	In relation to an Award, the date on which the Award is granted
“Group”	:	The Company and its subsidiaries
“Group Employee”	:	Any directors (including Non-Executive Director and Independent Director) of the Group or its confirmed full-time employees who are of the age of 18 years and above
“Listing Manual”	:	The listing manual of the SGX-ST and its relevant rules, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Market Price”	:	The average of the closing price for a Share as determined by reference to the closing prices of the Shares for the three (3) consecutive Market Days immediately preceding the date on which the Award shall be vested
“Independent Director”	:	The independent non-executive director of the Company
“Non-Executive Director”	:	A director of the Company who is not an Executive Director
“Participant”	:	Any eligible person who is selected by the Awards Committee to participate in the Performance Share Plan in accordance with the rules thereof
“Performance Condition(s)”	:	In relation to performance-related Awards, the condition(s) specified on the Grant Date in relation to that Award
“Rules”	:	The rules of the Performance Share Plan, as the same may be amended from time to time
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time

APPENDIX I – RULES OF CITYNEON PERFORMANCE SHARE PLAN

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, means the Depositors whose Securities Accounts are credited with such Shares
“Cityneon Performance Share Plan” or “Performance Share Plan”	:	The proposed Cityneon performance share plan, as may be modified or altered from time to time
“Vesting Period”	:	In relation to an Award, a period or periods, the duration of which is to be determined by the Awards Committee at the date of the grant of the Award
“\$” or “cents”	:	Singapore dollars and cents respectively

- 2.2 The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.
- 2.3 The term “Subsidiary” shall have the same meaning ascribed to it in Section 5 of the Companies Act.
- 2.4 The term “Treasury Shares” shall have the same meaning ascribed to it in Section 4 of the Companies Act.
- 2.5 Words importing the singular shall where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.
- 2.6 Any reference in the Performance Share Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any statutory modification thereof and used in the Performance Share Plan shall, where applicable, have the same meaning ascribed to it under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be unless otherwise provided.
- 2.7 Any reference to a time of day in the Performance Share Plan shall be a reference to Singapore time unless otherwise stated.

3. Objectives of the Performance Share Plan

The objectives of the Performance Share Plan are as follows:-

- (a) to provide an opportunity for Participants of the Performance Share Plan to participate in the equity of the Company, thereby inculcating a stronger sense of identification with the long term prosperity of the Group and promoting organisational commitment, dedication and loyalty of Participants towards the Group;
- (b) to motivate Participants to strive towards performance excellence and to maintain a high level of contribution to the Group;

APPENDIX I – RULES OF CITYNEON PERFORMANCE SHARE PLAN

- (c) to give recognition to contributions made or to be made by Participants by introducing a variable component into their remuneration package; and
- (d) to make employee remuneration sufficiently competitive to recruit new Participants and/or to retain existing Participants whose contributions are important to the long term growth and profitability of the Group.

4. Eligibility

The following persons are eligible to participate in the Performance Share Plan at the absolute discretion of the Awards Committee:

- (a) confirmed full-time employees of the Group and the Associated Companies who are of the age of 18 years and above (including Controlling Shareholder(s) and Associate(s) of Controlling Shareholder(s)); and
- (b) directors of the Company and its subsidiaries (including Non-Executive and Independent Directors),

who, in the opinion of the Awards Committee, have contributed or will contribute to the success of the Group, provided that such persons are not undischarged bankrupts and have not entered into a composition with their respective creditors.

Save for Tan Aik Ti, Ron, directors and employees of:

- (a) The Company's parent company, Lucrum 1 Investment Limited; or
- (b) The respective parent companies and subsidiaries of Lucrum 1 Investment Limited,

shall not be eligible to participate in the Performance Share Plan.

Participants who participate in the Performance Share Plan are eligible to participate in other plans implemented by other companies in the Group if approved by the Awards Committee.

The Awards Committee shall have absolute discretion to decide whether a person who is participating in the Share Plan shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group.

For the purposes of assessing the contributions of eligible persons, the Awards Committee may adopt a performance framework which incorporates financial and/or non-financial performance measurement criteria including, but not limited to the financial benefit or financial enhancement to the Group through any deals or transactions entered into by the Group as a result of the contributions of such persons, as well as the value of other contributions such as the introduction of new contacts or business opportunities.

Subject to the Companies Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Cityneon Performance Share Plan may be amended from time to time at the absolute discretion of the Awards Committee.

5. Limitations under the Performance Share Plan

- 5.1 The aggregate number of Shares over which the Awards Committee may grant Awards on any date, when added to the aggregate number of Shares that are issued or are issuable in respect of such other share-based incentive schemes of the Company (if any), shall not exceed 15% (or such other percentage as may be prescribed or permitted from time to time by the SGX-ST) of the total number of issued Shares (excluding Treasury Shares, if any) on the day immediately preceding the Grant Date.

APPENDIX I – RULES OF CITYNEON PERFORMANCE SHARE PLAN

- 5.2 Awards may only be vested and consequently any Shares comprised in such Awards shall only be delivered upon the Awards Committee being satisfied that the Participant has achieved the Performance Condition(s) and that the Vesting Period (if any) has expired provided always that the Awards Committee shall have the absolute discretion to determine the extent to which the Shares under that Award shall be released on the prescribed Performance Condition(s) being satisfied (whether fully or partially) or exceeded, as the case may be, at the end of the prescribed performance period. No Shares under the Award shall be released for the portion of the prescribed Performance Condition(s) that is not satisfied by the Participant at the end of the prescribed performance period.
- 5.3 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Awards Committee under the Performance Share Plan.

6. Grant Date

The Awards Committee may grant Awards at any time, except for:

- (a) the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, in the event that the Company adopts quarterly reporting;
- (b) the one month before the announcement of the Company's half-year or full-year financial statement, as the case may be; or
- (c) in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, Awards may only be granted on or after the second Market Day on which such announcement is made.

Where the grant of Awards to any Participant is subject to approval of specific resolution at a general meeting, the Awards Committee shall grant such approved Awards within 30 days from the conclusion of the general meeting that approved the resolution.

7. Awards Entitlement

- 7.1 Awards represent the right of a Participant to receive fully-paid Shares free of consideration. A Participant is entitled to receive fully-paid Shares free of consideration subject to the Performance Conditions prescribed by the Awards Committee in its absolute discretion being met.
- 7.2 The Vesting Periods of Awards will be determined by the Awards Committee in its sole discretion.
- 7.3 The selection of a Participant, the number of Shares which are the subject of each Award to be granted to him, and the prescribed Vesting Period shall be determined at the absolute discretion of the Awards Committee, which shall take into account criteria such as his rank, job performance, years of service, potential for future development, his contribution to the success and development of the Group and the extent of effort required to achieve the Performance Condition within the performance period.
- 7.4 The Awards Committee shall decide, in relation to each Award to be granted to a Participant:-
- (a) the Grant Date;
 - (b) the number of Shares which are the subject of the Award;
 - (c) the prescribed Vesting Period(s);
 - (d) the prescribed Performance Condition(s);

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- (e) the performance period during which the prescribed Performance Condition(s) are to be satisfied; and
- (f) the extent to which Shares which are the subject of that Award shall be released on the prescribed Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period.

7.5 Once an Award is finalised by the Awards Committee, the Awards Committee shall send an Award letter to the Participant confirming the said Award. The said Award letter shall specify, *inter alia*, the following:–

- (a) the Grant Date;
- (b) the number of Shares which are the subject of the Award;
- (c) the prescribed Performance Condition(s);
- (d) the performance period during which the prescribed Performance Condition(s) are to be satisfied;
- (e) the Vesting Period(s), if any; and
- (f) the extent to which Shares which are the subject of that Award shall be released on the prescribed Performance Condition(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period.

8. Vesting of the Awards

8.1 An Award shall, to the extent not yet vested, immediately lapse without any claim whatsoever against the Company:–

- (a) in the event of misconduct or breach of term of employment contract on the part of the Participant as determined by the Awards Committee at its discretion; or
- (b) upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of such Award; or
- (c) subject to Rules 8.2 and 8.3, upon a Participant, being a Group Employee ceasing to be in the full-time employment of the Group for any reason whatsoever; or
- (d) the Participant commits any breach of any of the terms of the Award; or
- (e) in the event that the Awards Committee shall at its discretion deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the Performance Share Plan (as set out in Rule 3) have not been met.

For the purpose of Rule 8.1(c), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

8.2 If a Participant, being a Group Employee ceases to be employed by the Group, by reason of his:–

- (a) death, ill-health, injury or disability (in each case, evidenced to the satisfaction of the Awards Committee); or
- (b) redundancy; or

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- (c) retirement at or after the normal retirement age; or
- (d) retirement before that age with the consent of the Awards Committee;

or for any other reason approved in writing by the Awards Committee, the Awards Committee may, at its absolute discretion, decide that a Participant is entitled to an Award or any part thereof, so long as he has met the Performance Condition(s) notwithstanding that he may have ceased to be so employed or ceased to hold office after the fulfilment of such Performance Condition(s) and that the Vesting Period (if any) has not expired prior to the cessation of such employment or holding of office.

In exercising its discretion, the Awards Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition(s) have been satisfied.

- 8.3 If a Participant who has fulfilled his Performance Condition(s) dies before an Award is vested, the Award shall in such circumstances be given to the duly appointed personal representatives of the Participant.
- 8.4 Save as provided and for the avoidance of doubt, an Award shall nevertheless be vested in a Participant for as long as he has fulfilled his Performance Condition(s) and the Vesting Period (if any) has not expired and notwithstanding a transfer of his employment within any company in the Group or any apportionment of Performance Condition(s) within any company in the Group.

9. Take-over and Winding Up of the Company

- 9.1 Notwithstanding the provisions of Rule 8 but subject to Rule 9.5, in the event of a take-over being made for the Shares, a Participant shall (notwithstanding that the Vesting Period for the Award has not expired) be entitled to the Shares under the Awards if he has met the Performance Condition(s) which falls within the period commencing on the date on which such offer for a take-over of the Company is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:–
 - (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Awards Committee and the SGX-ST, such expiry date is extended to a later date being a date falling not later than the last date on which the Performance Condition(s) are to be fulfilled; or
 - (b) the date of expiry of the period for which the Performance Condition(s) are to be fulfilled. Provided that if during such period, the offeror becomes entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, the Participant shall be obliged to fulfil such Performance Condition(s) until the expiry of such specified date or the expiry date of the Performance Condition(s) relating thereto, whichever is earlier, before an Award can be vested.
- 9.2 If:
 - (a) under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, each Participant who has fulfilled his Performance Condition(s) shall be entitled, notwithstanding the provisions herein and the fact that the Vesting Period for such Award has not expired but subject to Rule 9.5, to any Awards so determined by the Awards Committee to be vested in him during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise, arrangement or amalgamation becomes effective, whichever is later; or

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- (b) if under the Companies Act, the Accounting and Corporate Regulatory Authority issues a notice of amalgamation, for the purposes of, or in connection with the amalgamation of the Company with another company or companies, each Participant who has fulfilled his Performance Condition(s) shall be entitled, notwithstanding Rule 9 and the non-expiry of the Vesting Period for the Award but subject to Rule 9.5, to any Awards so determined by the Awards Committee to be vested in him during the period commencing on the date upon which the notice of amalgamation is issued by the Accounting and Corporate Regulatory Authority and ending either on the expiry of sixty (60) days thereafter or the date upon which the amalgamation becomes effective, whichever is later.
- 9.3 If an order or an effective resolution is made for the winding up of the Company on the basis of its insolvency, all Awards, notwithstanding that they may have been so vested shall be deemed to become null and void.
- 9.4 In the event of a members' voluntary winding up (other than for amalgamation or reconstruction), the Awards shall so vest in the Participant for so long as, in the absolute determination by the Awards Committee, the Participant has met the Performance Condition(s) prior to the date that the members' voluntary winding up shall be deemed to have been commenced or effective in law.
- 9.5 If in connection with the making of a general offer referred to in Rule 9.1 or the scheme referred to in Rule 9.2 or the winding up referred to in Rule 9.4, arrangements are made (which are confirmed in writing by the Auditor, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the payment of cash or by any other form of benefit, no Award shall be made in such circumstances.

10. Shares

- 10.1 Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary and subject to compliance with the terms of the Performance Share Plan and the Constitution, the Company shall, within ten (10) Market Days after the vesting of an Award, allot and issue the relevant Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Awards Committee may deem fit, or in the case of a transfer of Treasury Shares (if any), do such acts or things which are necessary for the transfer to be effective.
- 10.2 The Company shall, as soon as practicable after such allotment, where necessary, apply to the SGX-ST for permission to deal in and for quotation of such Shares.
- 10.3 Shares which are the subject of an Award shall be issued or transferred to in the name of CDP or its nominees to the credit of the Securities Account of that Participant or the securities sub-account maintained with a Depository Agent.
- 10.4 Shares allotted and issued and/or Treasury Shares (if any) transferred, upon the vesting of an Award, shall be subject to all the provisions of the Constitution, and be eligible for all entitlements, including dividends, rights, allotments or other distributions, the Record Date for which is on or after the vesting date, and shall in all other respects rank *pari passu* with other existing Shares then in issue. "Record Date" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions or rights of holders of Shares.
- 10.5 Shares which are allotted, and/or Treasury Shares (if any) which are transferred, on the vesting of an Award to a Participant, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, for a period of six (6) months commencing on the date the Shares are allotted and issued, or the date the Treasury Shares (if any) are transferred to a Participant upon the vesting of an Award, except to the extent set out in the Award letter or with the prior approval of the Awards Committee.

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10.6 The Awards Committee may determine to vest an Award, wholly or partly, in the form of cash rather than Shares or Treasury Shares (if any) in which event the Participant shall receive, in lieu of all or part of the Shares which would otherwise have been allotted or transferred to him on the release of his Award, the aggregate Market Price of such Shares.

11. Variation of Capital

11.1 If a variation in the share capital of the Company (whether by way of a capitalisation of profits or reserves, rights issue, capital reduction, subdivision, consolidation or distribution) shall take place, then:-

- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares over which future Awards may be granted under the Performance Share Plan,

may be adjusted in such manner as the Awards Committee may determine to be appropriate.

11.2 Unless the Awards Committee considers an adjustment to be appropriate:-

- (a) the issue of securities as consideration for an acquisition or a private placement of securities; or
- (b) the issue of securities by the Company as a consequence of the exercise of conversion rights/subsorption rights in the Company's loan stock or warrants and any other securities convertible into Shares or the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through any other share-based incentive schemes implemented by the Company; or
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Official List of the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force,

shall not normally be regarded as a circumstance requiring adjustment.

11.3 Notwithstanding the provisions of Rule 11.1:-

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive; and
- (b) any determination by the Awards Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation issue) be confirmed in writing by the Auditor (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

11.4 Upon any adjustment required to be made pursuant to this Rule 11, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

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11.5 The Committee may, in any circumstances where it considers that no adjustment should be made or that it should take effect on a different date or that an adjustment should be made notwithstanding that no adjustment is required under the said provisions (as the case may be), request the Auditor to consider whether for any reasons whatsoever the adjustment or the absence of an adjustment is appropriate or inappropriate as the case may be, and, after such consideration, no adjustment shall take place or the adjustment shall be modified or nullified or an adjustment made (instead of no adjustment made) in such manner and on such date as shall be considered by such Auditor (acting only as experts and not as arbitrators) to be in their opinion appropriate.

12. Administration of the Performance Share Plan

12.1 The Performance Share Plan shall be managed by the Awards Committee, which has the absolute discretion to determine persons who will be eligible to participate in the Performance Share Plan. However, a Participant who is a member of the Awards Committee shall not be involved in any deliberation or decision in respect of Awards (as the case may be) to be granted to or held by that Participant.

12.2 The Awards Committee shall have the power, from time to time, to make and vary such rules (not being inconsistent with the Performance Share Plan) for the implementation and administration of the Performance Share Plan as they think fit including, but not limited to:-

- (a) imposing restrictions on the number of Awards that may be vested within each financial year; and
- (b) amending Performance Condition(s) if by so doing, it would be a fairer measure of performance for a Participant or for the Performance Share Plan as a whole and/or amending the Vesting Period (if any).

12.3 Neither the Performance Share Plan nor the grant of Awards under the Performance Share Plan shall impose on the Company or the Awards Committee any liability whatsoever in connection with:-

- (a) the lapsing of any Awards pursuant to any provision of the Performance Share Plan;
- (b) the failure or refusal by the Awards Committee to exercise, or the exercise by the Awards Committee of, any discretion under the Performance Share Plan; and/or
- (c) any decision or determination of the Awards Committee made pursuant to any provision of the Performance Share Plan.

12.4 Any decision of the Awards Committee (including any decisions pertaining to the number of Shares to be vested) made pursuant to any provision of the Performance Share Plan (other than a matter to be certified by the Auditor) shall be final and binding in all cases including any disputes as to the interpretation of the Performance Share Plan or any rule, regulation, procedure thereunder or as to any rights under the Performance Share Plan.

13. Notices and Annual Report

13.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Awards Committee, as may be notified by the Company to him in writing.

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- 13.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Awards Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or at the last known address, electronic mail address or facsimile number of the Participant.
- 13.3 Any notices or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any notices or communication from the Company to a Participant shall be deemed to be received by that Participant when left at the address specified in Rule 13.2, or if sent by post, shall be deemed to have been given on the day following the date of posting, or if sent by electronic mail or facsimile transmission, on the day of despatch.
- 13.4 The Company, as required by law or the SGX-ST or other relevant authority, shall make the following disclosures in its annual report for so long as the Performance Share Plan continues in operation:–
- (a) the names of the members of the Awards Committee;
 - (b) the information in the table below for:-
 - (i) Participants who are directors of the Company;
 - (ii) Participants who are Controlling Shareholders or Associates of Controlling Shareholders; and
 - (iii) Participants other than those in paragraph (i) above, who receive Awards comprising 5% or more of the aggregate of the total number of Shares available under the Performance Share Plan;

Name of Participant	Awards granted during financial year under review (including terms)	Aggregate Awards granted since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards released since commencement of Performance Share Plan to end of financial year under review	Aggregate Awards not yet released as at end of financial year under review

- (c) if any of the above is not applicable, an appropriate negative statement must be included;
- (d) such other information as may be required by the Listing Manual and the Act; and
- (e) Participants were not required to pay for the grant of any Awards to them.

14. Modifications to the Performance Share Plan

- 14.1 Any or all of the provisions of the Performance Share Plan may be modified and/or altered at any time and from time to time by a resolution of the Board on the recommendation of the Awards Committee, except that:–
- (a) no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants under the Performance Share Plan who, if their Awards were released to them, would thereby become entitled to not less three-quarters in number the aggregate number of all the Shares which would be issued in full of all outstanding Awards under the Performance Share Plan;

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- (b) any modification or alteration which would be to the advantage of Participants under the Performance Share Plan shall be subject to the prior approval of Shareholders in a general meeting; and
- (c) no modification or alteration shall be made without due compliance with the Listing Manual and the approval of the SGX-ST and such other regulatory authorities as may be necessary.

14.2 The Awards Committee may at any time by a resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the rules or provisions of the Performance Share Plan in any way to the extent necessary to cause the Performance Share Plan to comply with any statutory provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

14.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants but accidental omission to give notice to any Participants shall not invalidate any such modifications or alterations.

14.4 Shareholders who are eligible to participate in the Performance Share Plan must abstain from voting on any resolution relating to the Performance Share Plan.

15. Terms of Employment Unaffected

The terms of employment of a Participant shall not be affected by his participation in the Performance Share Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages (if any) on the termination of his employment for any reason.

16. Duration of the Performance Share Plan

16.1 The Performance Share Plan shall continue to be in force at the discretion of the Awards Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Performance Share Plan may continue beyond the above stipulated period with the approval of Shareholders by an ordinary resolution in a general meeting and of any relevant authorities which may then be required.

16.2 The Performance Share Plan may be terminated at any time by the Awards Committee and by an ordinary resolution of the Company in general meeting subject to all relevant approvals which may be required and if the Performance Share Plan is so terminated, no further Awards shall be granted by the Company thereunder.

16.3 The termination of the Performance Share Plan shall not affect Awards which have been granted and accepted, whether such Awards have been released fully or partially.

17. Taxes

All taxes (including income tax) arising from the grant and/or disposal of Shares pursuant to the Awards granted to any Participant under the Performance Share Plan shall be borne by that Participant.

18. Costs and Expenses

18.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the allotment and issue and/or transfer of any Shares in CDP's name, the deposit of share certificate(s) with CDP, the Participant's Securities Account or the Participant's securities sub-account with a Depository Agent.

APPENDIX I – RULES OF CITYNEON PERFORMANCE SHARE PLAN

18.2 Save for the taxes referred to in Rule 17 and such other costs and expenses expressly provided in the Performance Share Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Performance Share Plan including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of Shares or transfer of Treasury Shares (if any) pursuant to the Awards shall be borne by the Company.

19. Disclaimer of Liability

Notwithstanding any provisions herein contained, the Board, the Awards Committee and any company within the Group, as the case may be, shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in allotting and issuing Shares, transferring Treasury Shares (if any) or applying for or procuring the listing of the Shares on the Official List of the SGX-ST in accordance with Rule 10.2 (and any other stock exchange on which the Shares are quoted or listed).

20. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Awards Committee and its decision shall be final and binding in all respects.

21. Condition of Awards

Every Award shall be subject to the condition that no Shares would be issued or Treasury Shares (if any) transferred pursuant to the vesting of any Award if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue and/or transfer of Shares hereto.

22. Governing Law

The Performance Share Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Awards in accordance with the Performance Share Plan, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

NOTICE OF EXTRAORDINARY GENERAL MEETING

CITYNEON HOLDINGS LIMITED

(Company Registration Number 199903628E)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Cityneon Holdings Limited (“the Company”) will be held at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584 on 26 October 2017 at 11.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

- (1) **THE PROPOSED ADOPTION OF THE CITYNEON PERFORMANCE SHARE PLAN;**
- (2) **THE PROPOSED PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE CITYNEON PERFORMANCE SHARE PLAN; AND**
- (3) **THE PROPOSED PARTICIPATION OF TAN AIK TI, RON, THE EXECUTIVE CHAIRMAN, GROUP CHIEF EXECUTIVE OFFICER AND CONTROLLING SHAREHOLDER, IN THE CITYNEON PERFORMANCE SHARE PLAN**

ORDINARY RESOLUTION 1: THE PROPOSED ADOPTION OF THE CITYNEON PERFORMANCE SHARE PLAN

That:-

- (a) a share plan to be known as Cityneon Performance Share Plan (the “**Share Plan**”), the rules of which have been submitted to the meeting and, for the purpose of identification, subscribed by the Chairman thereof, under which awards (“**Awards**”) of fully paid-up ordinary shares in the capital of the Company (the “**Shares**”), their equivalent cash value or combinations thereof will be granted, free of payment, to selected employees of the Company and/or its subsidiaries, including the Directors of the Company, and other selected participants, details of which are set out in the Circular to Shareholders dated 11 October 2017 (the “**Circular**”), be and is hereby approved;
- (b) the Directors of the Company be and are hereby authorised:-
 - (i) to establish and administer the Share Plan;
 - (ii) to modify and/or alter the Share Plan from time to time, provided that such modification and/or alteration is effected in accordance with the provisions of the Share Plan and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Share Plan;
 - (iii) subject to the same being allowed by law, to apply any share purchased under any share buy-back mandate towards the satisfaction of Awards granted under the Share Plan; and
- (c) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Share Plan and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the Share Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the Share Plan shall not exceed 15% of the total issued Shares of the Company from time to time.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 2: THE PROPOSED PARTICIPATION OF NON-EXECUTIVE DIRECTORS (INCLUDING INDEPENDENT DIRECTORS) IN THE CITYNEON PERFORMANCE SHARE PLAN

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Non-Executive Directors (including Duan Mengying and Independent Directors) of the Company in the Share Plan, be and is hereby approved.

ORDINARY RESOLUTION 3: THE PROPOSED PARTICIPATION OF TAN AIK TI, RON, THE EXECUTIVE CHAIRMAN, GROUP CHIEF EXECUTIVE OFFICER AND CONTROLLING SHAREHOLDER, IN THE CITYNEON PERFORMANCE SHARE PLAN

That subject to and contingent upon the passing of Ordinary Resolution 1, the participation of Tan Aik Ti, Ron, the Executive Chairman and Controlling Shareholder (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) of the Company, as well as the Group Chief Executive Officer, in the Share Plan, be and is hereby approved.

By Order of the Board
Cityneon Holdings Limited

Tan Aik Ti, Ron
Executive Chairman and Group Chief Executive Officer
11 October 2017

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company (“EGM”) may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are shareholders of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the shareholder.
- (3) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584 not later than 48 hours before the time appointed for the holding of the EGM.
- (4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (5) A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
- (6) Terms not defined in this Notice of EGM shall have the meanings ascribed to them in the Circular.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

PROXY FORM

Cityneon Holdings Limited

(Company Registration No. 199903628E)
(Incorporated in the Republic of Singapore)

IMPORTANT:

This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We* _____ (Name) NRIC/Passport number* _____

of _____ (Address)
being a shareholder/shareholders* of Cityneon Holdings Limited (the "**Company**") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf and, if necessary, to demand a poll at the EGM of the Company to be held at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584 on 26 October 2017 at 11.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

All resolutions put to the vote at the EGM shall be decided by way of poll.

AS ORDINARY RESOLUTIONS		For**	Against**
1.	The proposed adoption of the Cityneon Performance Share Plan		
2.	The proposed participation of Non-Executive Directors (including Independent Directors) in the Cityneon Performance Share Plan		
3.	The proposed participation of Tan Aik Ti, Ron, the Executive Chairman, Group Chief Executive Officer and Controlling Shareholder of the Company, in the Cityneon Performance Share Plan		

* Delete where inapplicable

** Please indicate your vote "For" or "Against" with a tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A shareholder entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
4. The instrument appointing a proxy or proxies, duly executed, must be deposited at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584 not later than 48 hours before the time appointed for the EGM.
5. Where a shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and, if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.
9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
11. Terms not defined in this Proxy Form shall have the meanings ascribed to them in the circular to shareholders dated 11 October 2017.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.