



PRESS RELEASE

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CITYNEON CONTINUES PATH OF TRANSFORMATION

Results Highlights 1H2018:

- Revenue increased by 14.4% to S\$55.4m.
- EBITDA increased by 70.2% to S\$18.1m.
- Receivables improved by 37.6% with trade debtors now at S\$26.9m from S\$43.1m in 1H2017.
- Positive income tax impact of S\$3.5m as result of new and lower corporate tax rate in USA.
- Net profit improved by 102.5% to S\$13.0m.
- Group Expects 5th Intellectual Property.

1H2018 Results Highlights:

	1H2018	1H2017	% Change
Revenue	S\$55.4m	S\$48.4m	14.4%
Gross Profit	S\$34.2m	S\$22.0m	55.6%
EBITDA	S\$18.1m	S\$10.6m	70.2%
Net Profit	S\$13.0m	S\$6.4m	102.5%

Singapore, 13 August 2018 – Mainboard-listed Cityneon Holdings Limited (SGX: 5HJ) (“Cityneon”) and its subsidiaries (“Group”) report today its financial results for half year ended 30 June 2018 (“1H2018”).

“Cityneon has grown from a Legacy Business struggling with low gross and net profit and lack of shareholders’ returns to an internationally recognized intellectual property player in an industry populated by international companies of larger and multiple sizes of what we are currently. We stood bravely on the shoulders of giants, punched above our weight, and grew into a fundamentally stronger company today, backed by a strong and diverse management team internationally – all in the short span of 3 years. We have now established global working relationships with 4 major international studios (Disney/ Marvel, Hasbro, Universal and Lionsgate) and grow from a single intellectual property exhibition set in 2014 (Avengers S.T.A.T.I.O.N.) to today’s multiple intellectual properties with multiple sets in multiple cities. Our Intellectual Properties travelled to 16 different cities globally, 21 times, to some cities with multiple visits across the different continents of the world. This is no mean feat for a company of our scale,” said Mr. Ron Tan, Executive Chairman & Group CEO of Cityneon Holdings Limited.

Positive Transformation, Higher Revenue & Profits, Stronger Balance Sheet

Continuing on its mission to transform Cityneon’s business from one of its legacy’s Construction and Contracting to that of the new Intellectual Property and Creative and Design led businesses, the Group recorded a 14.4% revenue increase at S\$55.4m in the first half of 2018 vis-à-vis that of 2017’s. More importantly, this is also the first time in the Group’s first half results that the Intellectual Property business segment (52.5%) contributes more than that of the Legacy Business segment (47.5%).

In the first half of 2018, the Group also saw the opening of multiple experiences in different parts of the world – namely, Avengers S.T.A.T.I.O.N. in Melbourne, Australia, Moscow, Russia and Norrkoping, Sweden; Transformers Autobots Alliance in Chong Qing, China and Jurassic World – The Exhibition in Paris, France. The Group acquired its fourth Intellectual Property (The Hunger Games: The Exhibition) on a global and exclusive basis from Lionsgate Studios in the first half of 2018.

On the back of the higher gross profit as result of the shift in the business segments’ contributions to the Group’s revenue and the positive tax impact due to the new Trump administration’s 21% corporate tax regime, Cityneon recorded a high first half net profit of S\$13.0m, more than doubled that of 2017 net profit of S\$6.4m.

The EBITDA for the Group also increased by approximately 70.2% in the first half of 2018 to S\$18.1m.

With improved financials, the Group also saw a significant improvement in its trade receivables. With a strengthened Corporate and Finance team with recent senior hires, the Group’s trade receivables stood at S\$26.9m as at 30 June 2018, a 37.6% improvement from S\$43.1m at end of 2017. This was a result of successful collection for the Group’s Brunei project and the receipt of the continued scheduled payments of the clients in the intellectual property business segment.

The Group also continued to pay down its trade payables, and now stand only at S\$8.0m payables primarily for the Group's Legacy Business.

The Group secured its third and fourth global Intellectual Properties in the second half of 2017 and the first half of 2018 with its acquisition of Jurassic World – The Exhibition and the Hunger Games – The Exhibition and continued to expand its exhibition sets from two in the first half of 2017 to ten operating and commissioned exhibition sets as at 30 June 2018. The Jurassic World – The Exhibition set has already achieved approximately 1.3m visitors to-date, a new milestone for the Group.

The Group's net debt is at approximately S\$100m – with S\$23m due to the acquisition of the new Cityneon Building in December 2017; S\$40m for the acquisition of the global Jurassic World's Intellectual Property and the build and upgrade of the Jurassic World – The Exhibition set; and S\$40m for the expansion of the exhibition sets of the Group from two in the first half of 2017 to ten operating and commissioned sets as at 30 June 2018. Part of the financing also went into the completion of the Legacy Business Brunei's project. The Group has successfully lined up approximately S\$60m of additional financing line for its future expansion if such needs arise.

Sustain the Momentum, New Intellectual Property, Expand Exhibition Sets

"We have a busy second half of 2018 ahead – with the planned opening of the Avengers S.T.A.T.I.O.N. exhibitions in Shanghai, China and London, United Kingdom in the latter part of 2018. In August, we just opened our Hasbro's Transformers Autobots Alliance exhibition on a long-term sit-down in the largest integrated resort in Jeju, South Korea; and upon the completion of the exhibition run of the Jurassic World – The Exhibition in Paris, France in September 2018, the same Jurassic World's experience will open its 4-month run in Madrid, Spain in November 2018," commented Mr. Ron Tan.

Mr. Tan added, "We are also expecting to open our The Hunger Games – The Exhibition set in Las Vegas at the MGM Resorts, to further leverage on the Group's current stronger performances at its Avengers S.T.A.T.I.O.N. exhibition at Treasure Island Hotels & Resorts, Las Vegas. This will see the Group with 2 semi-permanent installations in Las Vegas, Nevada USA and we aim to reap further economies of scale in our operations costs with these 2 business operations. We have proven ourselves time and again with the successful openings of these multiple experiences in the different continents with a core management team geared to execute the varied deliverables and expectations of our partners in the various parts of the world."

"We expect the Group continues to expand with the signing of the fifth Intellectual Property, and the commissioning and the building of the 3 additional new Jurassic World – The Exhibition sets to cater to the strong demand internationally. We will also continue to look at all options and opportunities to further enhance and unlock our shareholders' value, as we had in the years prior." Mr. Tan concluded.

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About Cityneon Holdings Limited

As a leading service agency, Cityneon specialises in crafting quality customer and brand experiences in the fields of Interior Architecture, Events, Exhibitions, Theme Parks and Intellectual Property Rights from the major studios: Marvel Avengers S.T.A.T.I.O.N. exhibition, Hasbro Transformers Autobots Alliance, Universal Jurassic World – The Exhibition, and Lionsgate The Hunger Games Exhibition.

Cityneon is committed to high excellence, precision and creativity, and is uniquely proficient in the conceptualisation and creation of immersive attractions, theme parks and exhibitions featuring state-of-the-art technologies and immersive storytelling.

With its global reach and international partnerships, Cityneon has the capability to serve its clients anywhere in the world. Cityneon (SGX:5HJ) has been listed on the Mainboard of the Singapore Stock Exchange since 2005, and is included in the Morgan Stanley Capital International, Inc (NYSE: MSCI) and MSCI Global Micro Cap Indexes—Singapore Index. Cityneon is also included in the Singapore Government's Central Provident Fund Investment Scheme (CPFIS) that allows investors to invest in the Company via its Central Provident Fund's (CPF) Ordinary Accounts in Singapore. For more information, please visit www.cityneon.net.

For Investor Relations/Media inquiries, please contact:

Issued By : Cityneon Holdings Limited

Email : ir@cityneongroup.com