



GRACE

ANNUAL REPORT 2016



MISSION

Our mission is to pioneer clutter-breaking ideas through excellence in innovation, design and technology that enables us to revolutionise and redefine customer engagement.

VISION

Our vision is to be a leading global provider of high-impact experiences that transform the way our customers engage with their end-users.

CONTENTS

02

Corporate Profile

03

Our Business

04

Our Network

06

Project Highlights 2016

10

Corporate Information

11

Chairman's Statement

12

Group CEO's Statement

14

Financial Highlights

16

Operating & Financial Review

18

Board of Directors

22

Investor Relations

24

Corporate Governance

53

Financial Statements

135

Analysis of Shareholdings

136

Substantial Shareholders

137

Notice of Annual General Meeting

Proxy Form

CORPORATE PROFILE

Starting our journey as a supplier of electrical appliances in 1956, we have come a long way. Within a few years of our inception, we expanded our business to include the design and installation of shop displays and retail fronts. This is where we began our journey to transform customer touch points into holistic brand experiences, culminating in the incorporation of Cityneon Displays and Construction Pte. Ltd..

By the early 70s, we were the appointed partner of Australian Trade Commission to erect booths and provide logistical support for their “Made in Australia” marquis exhibition – the first of its kind to be hosted in Singapore. It proved to be the turning point for our company, as it enabled us to showcase our creative prowess at an international stage, thus opening doors to new frontiers.

Today, we have grown into Cityneon Holdings Limited – a full service ideas agency specialising in transforming customer and brand experiences, encompassing 4 integrated business divisions – Events, Exhibitions, Experiential Environment, Interior Architecture. In addition, our group now also comprises our newly acquired immersive attractions company, Victory Hill Exhibitions Pte. Ltd., that focuses on delivering engaging educational and interactive “ready-to-showcase” exhibitions, designed to wow your senses. Both, Cityneon and Victory Hill Exhibitions are recognised as leaders in their respective industries.

Events

EVENTS MANAGEMENT
EVENT INFRASTRUCTURE
SPORTS MANAGEMENT



Exhibitions

TRADE SHOWS
CONSUMER SHOWS



Experiential Environment

MUSEUMS
THEME PARKS
EXPOSITIONS



Interior Architecture

RETAIL / HOSPITALITY
HEALTHCARE
CORPORATE

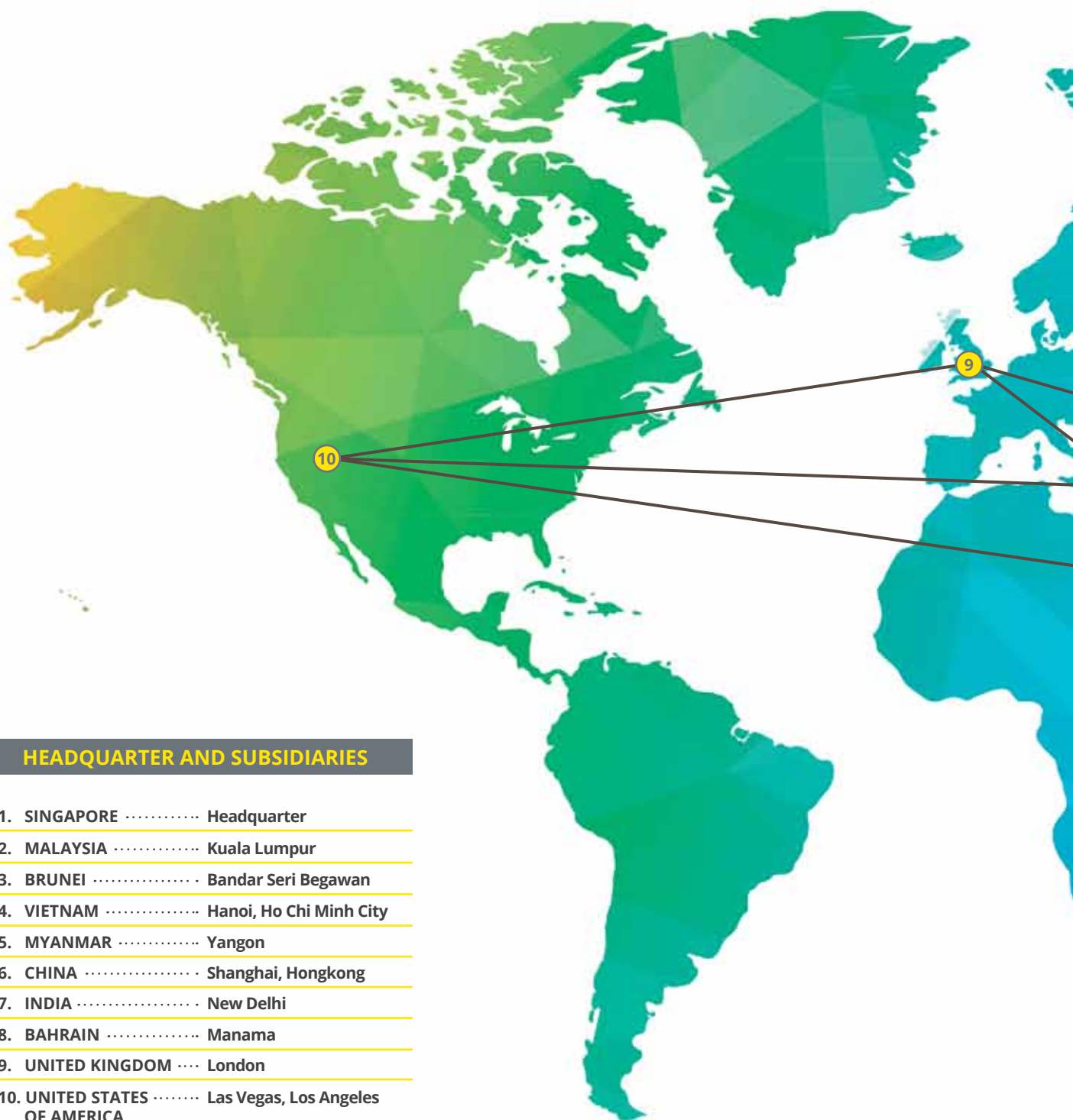


Intellectual Property Rights

EXCLUSIVE SHOWCASING
REVOLUTIONARY EXPERIENCE
EDUTAINMENT TRANSFORMED



OUR NETWORK



HEADQUARTER AND SUBSIDIARIES

1. SINGAPORE	Headquarter
2. MALAYSIA	Kuala Lumpur
3. BRUNEI	Bandar Seri Begawan
4. VIETNAM	Hanoi, Ho Chi Minh City
5. MYANMAR	Yangon
6. CHINA	Shanghai, Hongkong
7. INDIA	New Delhi
8. BAHRAIN	Manama
9. UNITED KINGDOM	London
10. UNITED STATES OF AMERICA	Las Vegas, Los Angeles

AFFILIATES

11. INDONESIA	Jakarta
12. THAILAND	Bangkok
13. PHILIPPINES	Manila
14. OMAN	Muscat
15. TURKEY	Istanbul
16. QATAR	Doha



PROJECT HIGHLIGHTS 2016

Pasquale Bruni Grand Opening Gala 2016, Singapore



World Skills Singapore 2016, Singapore



EVENTS



GetActive! by the Bay, Singapore



Presidential Dias @ NDP 2016, Singapore



OCBC Premium Suite @ WTA 2016, Singapore

PROJECT HIGHLIGHTS 2016

EXHIBITIONS

Food And Hotel Asia 2016, Singapore



QUANN @ Govware 2016, Singapore



Arcadis @ SIWW 2016, Singapore



Hotelbeds @ ATF 2016, Philippines



Russian Helicopters @ Airshow 2016, Singapore



Singapore Pavilion @ OTC Houston 2016, USA



PROJECT HIGHLIGHTS 2016

Huttons Office, Singapore



Good Old Days Restaurant, Singapore



Hotel Indigo, Singapore



Mount Elizabeth Hospital Ward 3A, Singapore



Keppel Shipyard Health & Wellness Gallery, Singapore



INTERIOR
ARCHITECTURE

EXPERIENTIAL
ENVIRONMENT



AVENGERS S.T.A.T.I.O.N. Las Vegas



AVENGERS S.T.A.T.I.O.N. Las Vegas



AVENGERS S.T.A.T.I.O.N. Paris



AVENGERS S.T.A.T.I.O.N. Paris



AVENGERS S.T.A.T.I.O.N. Singapore

CORPORATE INFORMATION

DIRECTORS

DATO' FU AH KIW @ OH (FU) SOON GUAN

Non-Executive Chairman

TAN AIK TI, RON

Executive Director and Group Chief Executive Officer

DATUK SERI WONG CHUN WAI

Non-Executive Director

NG FOOK AI VICTOR

Lead Independent Director

DATUK ROGER TAN KOR MEE

Independent Director

DATO' LEE YEOW CHOR @ LEE YEW MENG

Independent Director

TANG NAI SOON

Independent Director

RAGESH RAJENDRAN

Alternate Director to Datuk Seri Wong Chun Wai

AUDIT COMMITTEE

NG FOOK AI VICTOR

Chairman

DATO' FU AH KIW @ OH (FU) SOON GUAN

DATO' LEE YEOW CHOR @ LEE YEW MENG

REMUNERATION COMMITTEE

TANG NAI SOON

Chairman

DATO' FU AH KIW @ OH (FU) SOON GUAN

DATUK ROGER TAN KOR MEE

NOMINATING COMMITTEE

DATUK ROGER TAN KOR MEE

Chairman

DATUK SERI WONG CHUN WAI

TANG NAI SOON

CHIEF FINANCIAL OFFICER

AW HUI MIEN JENNY

AUDITORS

BDO LLP

Public Accountants and Chartered Accountants

*600 North Bridge Road
#23-01 Parkview Square
Singapore 188778*

PARTNER-IN-CHARGE

POH CHIN BENG

(since financial year ended 31 December 2014)

REGISTRAR

B.A.C.S. PRIVATE LIMITED

*8 Robinson Road
#03-00 ASO Building
Singapore 048544*

SECRETARY

CHO FORM PO

BANKERS

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

UNITED OVERSEAS BANK LIMITED

STANDARD CHARTERED BANK (SINGAPORE) LIMITED

CITIBANK N.A., SINGAPORE BRANCH

DBS BANK LTD

CIMB BANK BERHAD

ASEAN FINANCE CORPORATION LIMITED

REGISTERED OFFICE

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

COMPANY REGISTRATION NUMBER

199903628E



DEAR SHAREHOLDERS,

On behalf of the Board of Directors ("BOD") of Cityneon Holdings Limited (the "Company") and its subsidiaries (the "Group"), I am pleased to present our annual report for the financial year ended 31 December 2016 ("FY2016").

PERFORMANCE

The Group delivered stellar results for the year under review with the bulk of returns generated by our latest business segment – Intellectual Property Rights ("IPR"). The addition of the IPR business segment has expanded our scope of expertise and capabilities to create and transform customer and brand experiences. This strategic move enabled us to reap a nearly sevenfold increase in net profits, of which approximately 90% was contributed by the IPR segment.

We will be building upon this momentum, placing our focus on the IPR segment. We will be realigning resources and strengthening existing business segments to mitigate the effects of a slower global economy which have softened demand and narrowed margins.

Our net asset value per share rose to 28.3 cents, up from the 22.4 cents in the previous corresponding period and earnings per share increased 300% year-on-year, from 0.7 cents to 2.8 cents.

As such, I would also like to make a special mention and welcome our newly-appointed Group Chief Executive Officer, Mr Ron Tan. He has been the key in the marked improvements to our bottomline and brings with him a wealth of experience from heading the operations of Victory Hill Exhibitions Pte. Ltd. ("VHE"), our wholly-owned subsidiary since FY2015. His invaluable input and vision has helped to drive us towards opening up a new revenue stream for the Group. We look to his leadership to better pursue our goal of becoming a leading global provider of high-impact experiences.

BOARD AND EXECUTIVE CHANGES

We would like to welcome Mr Ng Fook Ai Victor as Lead Independent Director and Dato' Lee Yeow Chor @ Lee Yew Meng as Independent Director. We look forward to working together to further propel the Group to greater heights.

We also wish to take this opportunity to thank Non-Executive Chairman Mr Lew Weng Ho, who has left to pursue his own interests, and Executive Director and Group Managing Director Mr Ko Chee Wah, who has retired during the financial year. We are grateful for their stewardship and guidance thus far. We wish them all the best in their future endeavours.

CLOSING

With our plans and goals clearly in place, we look to fulfilling them on the operations front. We will be selective, taking on the most suitable projects to enhance our standing in the industry. We will also be more prudent with cost-saving measures to ensure efficient use of resources and maximise returns to benefit all our stakeholders and staff for their hard work and dedication during the past financial year.

DATO' FU AH KIW @ OH (FU) SOON GUAN

Non-Executive Chairman

GROUP CEO'S STATEMENT



DEAR SHAREHOLDERS,

Having been in the business for over 60 years, Cityneon has come a long way, be it through bearish or bullish times. What remains constant through the evolving times is our passion and commitment to keep ourselves at the forefront of the industry and to continue delivering our best to our clients each and every time.

I am proud to share with you in my inaugural CEO's statement, that FY2016 was a year of spectacular growth and achievement for the Group. For that, we have our business partners, shareholders and investors to thank. With that specific notion in mind, we have designed our Annual Report this year as a testament of our gratitude to all our stakeholders. Graced by their support and belief in us, we were emboldened to continue our journey in taking the lead to create unforgettable brand experiences across all our business divisions.

REVENUE AND PERFORMANCE

Despite the uncertainty of the global economy, we reported a strong set of results due to the significant contribution from our latest business segment - Intellectual Property Rights ("IPR"). To briefly recap, we had expanded on our range of offerings in FY2015 with the acquisition of Victory Hill Exhibitions Pte. Ltd. ("VHE"), an exhibition production and distribution company focused on delivering engaging, educational and interactive exhibitions for the global market. This built upon our existing line-up of four independent but integrated business segments comprising Exhibitions ("EX"); Experiential Environment ("EE"); Events ("EV"); and Interior Architecture ("IA").

While our traditional segments continued to perform in line with expectations, the IPR segment lead the charge with its 18.3% contribution to our total revenue of \$96.8 million. In fact, more than 70.0% of our total revenue was generated overseas. This places us ahead of the 53.0% average for international revenue contribution for small and medium enterprises, as reported in a recent survey conducted by International Enterprise Singapore. The IPR segment also fuelled a 43.0% growth in gross profit with its 75.5% gross profit margin. Our net profit after tax rose considerably by as much as 693.4%, of which a noteworthy 90.0% was contributed by the IPR business.

Taking into account the above, our net asset value per share rose by 26.3%, and earnings per share improved threefold, putting us in a well-placed and robust financial position. Furthermore, our market capitalisation grew by 15.0 times, from \$15.5 million (prior to the completion of the acquisition of VHE) to \$232.4 million as at 31 December 2016. These were definitely remarkable feats that we are proud to share.

ACHIEVEMENTS AND HIGHLIGHTS - IPR SEGMENT

To share a bit more about the IPR business segment, we own the intellectual property rights and licences to create exclusive showcases using leading technologies. These immersive attractions combine education and entertainment all at once, delivering to audiences a revolutionary experience like never before.

Our IPR segment currently holds two strong licences namely the "AVENGERS S.T.A.T.I.O.N." and "TRANSFORMERS" which are from Marvel Characters B.V. and Hasbro International Inc. respectively. These licences have enabled us to assemble a strong offering set to transform the exhibition industry with a bang. Both have taken off with great success, and the Group has since embarked on a journey to deliver these unforgettable experiences in travelling and permanent formats on a global scale.

For the AVENGERS S.T.A.T.I.O.N. attraction, we have a permanent setup in Las Vegas, the very first in the Western U.S., at Treasure Island Hotel and Casino on the world famous Las Vegas Strip. Its launch was timed to be shortly after the release of Marvel's 'Captain America: Civil War' movie which has since grossed \$1 billion worldwide. Barely a month after its opening, the exhibition was labelled as "Best Place to Meet Your Heroes" by Vegas Seven (a leading weekly Las Vegas magazine) in its seventh annual "Best of the City" publication.

Meanwhile, we have also completed our travelling set exhibition tour in Paris and Singapore and are ironing out the finer details with preparatory works already underway for the openings in Taiwan and Australia, and the upcoming launch in Beijing. As for the TRANSFORMERS experience, we are in the midst of priming the relevant teams to launch it in Beijing during the 2nd half of 2017.

For the year under review, we also undertook a share placement exercise of 20 million new shares to strategic investor CMC Holdings and other institutional and financial investors. The placement is part of our goal to institutionalise our investor base and increase liquidity. The net proceeds generated will be used to boost the growth and expansion of VHE. In addition, the exercise also enhance the collaboration opportunities with CMC.

STRATEGIES AND PROSPECTS

To uphold our leading position in the industry and maintain operational readiness for opportunities and challenges alike in 2017, we undertook a strategic review of all our business segments during the year.

Our findings have culminated in a strategy that will involve placing our main focus on the IPR business segment, which has an order book of projects in the pipeline till the year 2018. We plan to further expand this business segment by exploring new quality licences via mergers and acquisitions to increase our ownership of licences beyond the current two. With this, we would be able to hone our capabilities while creating more unforgettable experiences and raising our brand profile.

At the same time, we will be re-organising our traditional businesses, strengthening and streamlining them to refine the Group into a more nimble and lean organisation. This will be achieved through several steps such as merging the EX and EV segments to better consolidate resources, facilitate cost savings, and improve operational efficiency. Meanwhile, we will look to expand the EE business segment organically which had for the year under review bolstered its track record following the effective completion of the multi-million dollar international theme park project in Shanghai. For the IA segment, we will consolidate the current 2 divisions into a single team and concentrate on tendering for bigger niche projects such as hotels, service apartments, museums and galleries both locally and overseas to increase our standing.

As we pursue our goals, we keep an eye on key external events such as the recent Singapore Budget 2017

announced in February 2017. Amongst its directives, it highlighted the importance of automation and upgrading of employee skillset to better prepare for the economic landscape of the future. We embrace these calls for innovation whole-heartedly and are already in the midst of implementing such measures.

While undertaking the broad strategic strokes, we are mindful of day-to-day decisions. On the business operations end, we will continue to exercise caution in our project selection process, enhance staff productivity as well as contain costs through cost saving measures to ensure there is no wastage of resources. We will also carefully assess and manage risks in order to keep our business sustainable.

APPRECIATION

Looking back on FY2016, it was a year of milestones and growth tempered with persistent macroeconomic challenges that we worked hard to mitigate.

Having just joined the Cityneon family as the Group Chief Executive Officer, I am both humbled and thankful for the opportunity to contribute to the Group's current and future endeavours. I would like to emphasise that our successes are the achievement of all and made possible only through the strong support we received from our valued clients, employees, partners and shareholders. Thank you for your ongoing faith and support has helped us tide through the challenging times. We will endeavour to prove ourselves worthy of the goodwill by strengthening our commitment to creating business synergies that deliver greater results and enhance shareholders' value. I look forward to the journey ahead and hope we will be able to create a better future for all stakeholders together.

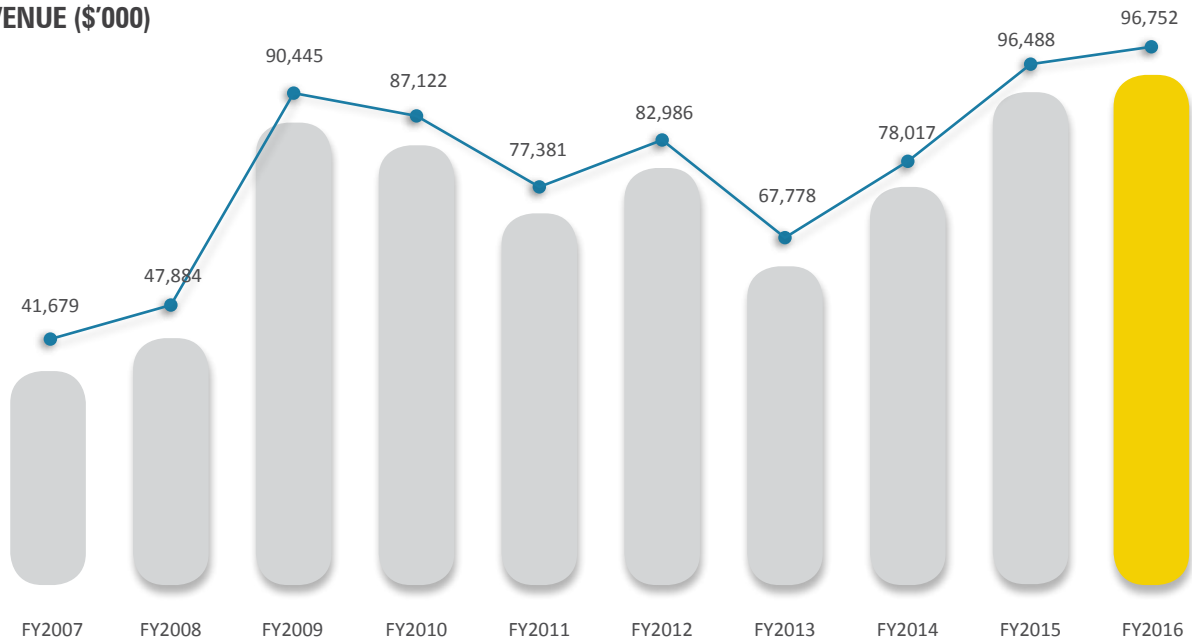
Thank you.

RON TAN

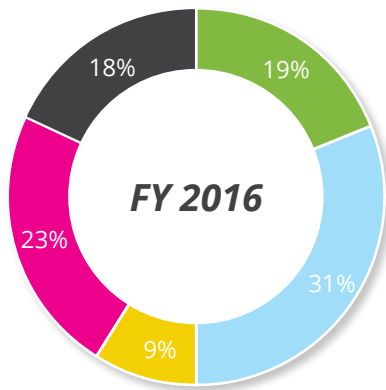
Group Chief Executive Officer

FINANCIAL HIGHLIGHTS

REVENUE (\$'000)

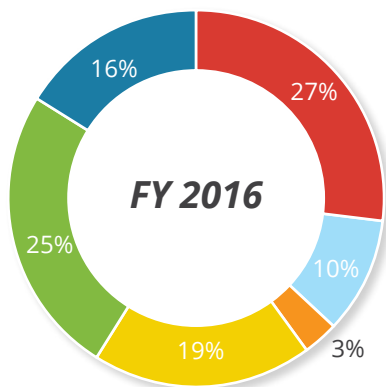


REVENUE BY BUSINESS SEGMENT



	FY 2016		FY 2015	
	\$'000	%	\$'000	%
Experiential environment	18,759	19	21,730	22
Exhibitions	29,662	31	27,106	28
Events	8,355	9	28,647	30
Interior architecture	22,316	23	18,318	19
Intellectual property rights	17,660	18	687	1
Total	96,752	100	96,488	100

REVENUE BY GEOGRAPHICAL SEGMENT



	FY 2016		FY 2015	
	\$'000	%	\$'000	%
Singapore	26,314	27	43,359	44
Middle East	9,820	10	20,806	22
Malaysia	3,089	3	13,157	14
China	17,862	19	9,413	10
Asia Pacific	24,387	25	2,770	3
Others	15,280	16	6,983	7
Total	96,752	100	96,488	100

FINANCIAL HIGHLIGHTS

Financial Results (\$'000)	FY2012	FY2013	FY2014	FY2015	FY2016
Revenue	82,986	67,778	78,017	96,488	96,752
Gross profit	19,984	21,851	22,077	23,300	33,322
Gross profit margin	24.1%	32.2%	28.3%	24.1%	34.4%
Profit/(Loss) before tax	(4,864)	853	2,513	794	7,329
Profit/(Loss) after tax	(4,748)	829	2,315	833	6,610
Profit/(Loss) attributable to shareholders	(4,725)	894	2,345	871	6,681

Financial Position (\$'000)	FY2012	FY2013	FY2014	FY2015	FY2016
Property, plant and equipment	3,657	2,333	2,257	16,032	43,437
Current assets	44,961	45,083	52,699	60,416	65,941
Other non-current assets	1,315	1,393	1,213	11,115	10,645
	49,933	48,809	56,169	87,563	120,023
Current liabilities	(28,258)	(26,392)	(30,350)	(36,440)	(49,567)
Non-current liabilities	(390)	(98)	(217)	(1,104)	(847)
	(28,648)	(26,490)	(30,567)	(37,544)	(50,414)
Non-controlling interests	(585)	(520)	(490)	(452)	(313)
Shareholders' equity	20,700	21,799	25,112	49,567	69,296
Cash and cash equivalents	10,941	14,176	23,881	24,269	23,779

Ratios	FY2012	FY2013	FY2014	FY2015	FY2016
Earnings per share (cents) - basic	(5.3)	1.0	2.7	0.7	2.8
Net asset per share (cents)	23	25	28	22	28

OPERATING & FINANCIAL REVIEW

CITYNEON'S BUSINESS SEGMENTS

Since the acquisition of Victory Hill Exhibitions Pte. Ltd. ("VHE") in FY2015, Cityneon had expanded on our range of service offerings. The addition of this latest Intellectual Property Rights ("IPR") business segment builds upon our 4 existing integrated business segments comprising Exhibitions ("EX"), Experiential Environment ("EE"), Events ("EV") and Interior Architecture ("IA").

BUSINESS OVERVIEW

The Group's total revenue remained relatively stable at \$96.8 million for the financial year ended 31 December 2016, with a slight increase of 0.3% from the \$96.5 million in FY2015. This was a result of the mixed performances for our various business segments.

REVENUE BY BUSINESS SEGMENTS

Moving on to a segmental basis, we delve into greater detail the individual performance of each business segment and their contribution to our top line.

Exhibitions ("EX")

Our EX segment specialises in providing our customers with impactful solutions through creating innovative concepts and holistic experiences that reflect their brand ideology, enabling them to genuinely stand out amongst the crowd. For the year under review, we successfully delivered on major events including the Food & Hotel Asia 2016, OSEA 2016, Comex 2016, CommunicAsia 2016, Bahrain International Air Show and COP22, just to name a few. These key events helped boost revenue by 9.6% from \$27.1 million in FY2015 to \$29.7 million in FY2016.

Experiential Environment ("EE")

The EE segment partners its customers through all stages of experiential design, specialising in transforming customers' visual branding into lasting, multi-sensory brand experiences. The EE segment successfully completed key projects such as the Keppel Shipyard Health and Wellness Gallery and some works for the International Theme Park jobs in Shanghai Pudong. In total, these projects contributed \$18.8 million to our revenue for FY2016 which was a 13.4% difference from the \$21.7 million in FY2015.

Events ("EV")

The EV segment supports the organisation of various events and campaigns, with above, below and through-the-line solutions especially those pertaining to sports. Notable

events that the segment catered to this year include the Pasquale Bruni Grand Opening Gala, the Singapore Formula 1 night race, the National Day Parade 2016, OCBC Cycle 2016, and the Singapore Youth Olympics Festival. Revenue recorded for EV was \$8.4 million for FY2016, which was a 70.6% difference from the \$28.6 million recorded in FY2015. The primary factor behind the difference was the absence of one-off events in FY2015 such as the SEA Games and ASEAN Para-Olympics Games.

Interior Architecture ("IA")

Our IA segment specialises in delivering riveting multi-sensory interior architectural design that exude beauty, form and function inside and out for our customers. For our IA segment, revenue has improved due to work progressing well for our various projects in Vietnam, Brunei and India. Revenue from the segment rose 21.9% from \$18.3 million in FY2015 to \$22.3 million for the period under review. Notable completed projects include work done in Singapore such as for the Esplanade, Universal Studios, Mount Elizabeth Hospital, Hotel Indigo and Good Old Days Restaurant. Our on-going projects include work being done for Ascott Waterfront Saigon in Vietnam and Museum in Bihar, India.

Intellectual Property Rights ("IPR")

Last but certainly not least, our IPR segment in which we focus on delivering engaging educational and interactive exhibitions for exclusive licence-held showcases through leading technologies for revolutionary experiences. With the two strong licences we hold for Marvel's AVENGERS S.T.A.T.I.O.N. and Hasbro's TRANSFORMERS under our latest IPR segment, we saw a revenue contribution of 18.3%, or \$17.7 million, to the total revenue in FY2016. Key generators of the revenue were the travelling and permanent exhibitions of the AVENGERS S.T.A.T.I.O.N. in Paris, Singapore and Las Vegas.

PROFIT AND MARGINS

Persistent spillover effects from the global financial crisis in the form of a sluggish rate of growth in FY2016 led to downward pressures in our traditional business segments that affected our margins for projects that were undertaken during the year. However, we have achieved a 42.9% growth in gross profit from \$23.3 million to \$33.3 million this year, due to higher gross profit margins ("GPM") of 75.5% generated from the IPR segment. Our GPM rose 42.6% year-on-year to 34.4%. Our net profit after tax jumped by as much as 693.4% from \$0.8 million to \$6.6 million in FY2016, of which a noteworthy 90.0% was contributed by the IPR business.

FINANCIAL POSITION

Net assets value (“NAV”) of the Group as at 31 December 2016 stood at \$69.3 million, an increase of \$19.7 million from \$49.6 million last year.

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

(i) Increases in Property, Plant & Equipment (“PPE”) from \$16.0 million to approximately \$43.4 million mainly due to cost incurred in upgrading of the interactive exhibition sets in Las Vegas, construction of the two new interactive exhibition travelling sets and renovation of the exhibition and retail space in Las Vegas.

(ii) Inventories increases from \$0.2 million to \$0.7 million mainly due to merchandises purchased in Las Vegas.

(iii) The trade and other receivables (including deposits and prepayments) decreased slightly from \$29.0 million in FY2015 to \$28.7 million in FY2016 was mainly due to faster collection from debtors. Trade and other payables have decreased from \$23.8 million to \$19.6 million mainly due to faster payment made to suppliers.

(iv) Amount due from contract customers increased from \$6.9 million to \$12.7 million mainly due to slower billings for work done in FY2016 compared to FY2015.

(v) Increases in the amount due to contract customers resulted from the increase in progress billing billed to contract customers.

(vi) Bank borrowings increased by \$16.5 million from \$8.2 million in FY2015 to \$24.7 million in FY2016. The increase was mainly due to bank loans drawn down for use in the building of new interactive exhibition assets and renovation cost incurred on the permanent exhibitions venue at Treasure Island.

(vii) Provision for taxation increased mainly for tax provided on net profit generated by IPR business unit.

CASH FLOW

As at 31 December 2016, the Group recorded net cash generated from operating activities of \$3.9 million.

(i) Net cash generated from trade and other receivables in FY2016 mainly due to faster collection from customers in FY2016 compared to FY2015.

(ii) Amount due from contract customers saw a net decrease

in cash of \$5.6 million due to slower billing because unlike a year ago where a higher number of projects was recorded near year end.

(iii) The net decrease of \$2.3 million in trade and other payables in FY2016 was due to faster payment made to supplier as compared to FY2015.

(iv) Higher interests amounting to \$0.6 million was due to increases in bank borrowings in FY2016 as compared to a year ago.

(v) Tax amount of \$0.4 million was paid mainly for the IPR business in FY2016.

The Group recorded net cash used in investing activities amounting to approximately \$32.3 million in FY2016. This consists of the upgrading of interactive exhibition sets in Las Vegas, construction of two new interactive exhibition travelling sets and renovation of the exhibition and retail space in Las Vegas. There was also an amount paid for the intangible assets - (“studios licences”) of approximately \$1.0 million.

The Group recorded a net cash generated from financing activities of approximately \$27.7 million in FY2016. This consists of \$12.1 million contributed by the net proceeds from share placements and employee share options exercised by some staff. There were bank borrowings and trade facilities of \$33.2 million drawdown for the building of interactive exhibition assets and projects purposes. These bank borrowings were partially offset by the repayments amounting to \$17.3 million in FY2016.

EARNINGS PER SHARE (“EPS”)

Earnings per share for FY2016 increased to 2.8 cents from the 0.7 cents in FY2015.

NET ASSET VALUE (“NAV”) PER SHARE

At at 31 December 2016, net asset value per share rose to 28.3 cents, representing an increase of 26.3% over FY2015's NAV of 22.4 cents.

ENLARGED SHARE CAPITAL

During the year, 20,000,000 new shares were issued under a share placement exercise in May and another 3,837,400 new shares were issued for employees share options exercised by staff.

The number of shares increased from 220,818,795 as at 31 December 2015 to 244,656,195 as at 31 December 2016.

BOARD OF DIRECTORS



Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan

Non-Executive Chairman

Master Degree in Industrial Engineering and Management Science, Cranfield University, United Kingdom
Bachelor of Science (Honours) Degree in Physics, University of Malaya, Malaysia

Date of first appointment as Director: 7 February 2017
Date of last re-appointment as Director: -
Length of services as Director: Not applicable (as at 31 December 2016)

Served on the following Board Committees

- Finance Committee – Chairman
- Audit Committee – Member
- Remuneration Committee – Member

Present Directorships in other listed companies

- Star Media Group Berhad
- Tiong Nam Logistics Holdings Berhad
- Fitters Diversified Berhad
- Parkson Retail Group Ltd

Present Principal Commitments

(other than directorships in other listed companies)

- Board of Trustee of Star Foundation, Chairman

Directorships in other listed companies held over the preceding three years

- Nirvana Asia Ltd

Background and Experience

- More than 13 years of distinguished service in the Malaysian Government up till retirement in 2008
- A Member of Parliament in 1995, and Deputy Minister of various ministries over the years – Internal Security, Higher Education, Culture, Arts and Tourism, and Parliamentary Secretary of Ministry of International Trade and Industry
- Managerial expertise and niche in the construction and M&E engineering services



Tan Aik Ti, Ron

Executive Director and Group Chief Executive Officer

Former Government Scholar of the Republic of Singapore
4.0 GPA, Bachelor of Science (with Distinction), University of Hawaii at Manoa

Date of first appointment as Director: 9 November 2015
Date of last re-appointment as Director: 22 April 2016
Length of services as Director: 1.2 years (as at 31 December 2016)
Date of appointment as Group Chief Executive Officer: 1 January 2017

Served on the following Board Committees

- Finance Committee – Member

Present Directorships in other listed companies

- Nil

Present Principal Commitments

(other than directorships in other listed companies)

- Nil

Directorships in other listed companies held over the preceding three years

- Epicentre Holdings Ltd, Singapore
- Mavshack AB, Sweden

Background and Experience

- A wealth of experience in the entertainment industry, having served as the Executive Director for Hi-5 Operations Pte Ltd, EMS Holdings Pte Ltd, and BASE Entertainment Asia
- Producer of the Hi-5 TV Series and the first Hi-5 Movie which was sold and broadcasted in over 200 countries globally
- Served as an Independent Board Member of CCFH Limited (formally known as Friven & Co.), a corporation listed on the Singapore Exchange, and Mavshack AB, a Swedish corporation listed on NASDAQ OMX
- Served as an International Director in First Alverstone Partners, an investment and consultancy firm
- Served in various management positions at various local and multinational firms



Datuk Seri Wong Chun Wai

Non-Executive Director

Bachelor of Arts Degree (Political Science and History Major),
Universiti Kebangsaan Malaysia, Malaysia

Date of first appointment as Director: 6 December 2012
Date of last re-appointment as Director: 22 April 2016
Length of services as Director: 4 years (as at 31 December 2016)

Served on the following Board Committees

- Nominating Committee – Member
- Finance Committee – Member

Present Directorships in other listed companies

- Star Media Group Berhad

Present Principal Commitments

(other than directorships in other listed companies)

- Nil

Directorships in other listed companies held over the preceding three years

- Nil

Background and Experience

- Over 30 years of experience in the media industry in various capacities
- Advisory panel member of the UKM Graduate School of Business and adjunct professor of the Northern University of Malaysia (UUM) & a Fellow at the National University of Malaysia (UKM)
- Member of the Governance Council of the National Innovation Agency in the Prime Minister's Department
- First Malaysian to be elected into the Board of the Paris-based World Editors Forum
- Board Member of the Bangkok-based Asia News Network, a regional grouping of 22 media companies
- Board Member of the Centre for Mobile Studies (CMS) at the Xiamen University Malaysia
- Honorary Advisor (2016-2019) of the Malaysia-China Chamber of Commerce (MCCC)
- Writes a weekly column in The Sunday Star called "On the Beat" which focuses on political & religious moderation
- Awarded the "Lifetime Achievement Award for leadership in Media Industry" by the World Chinese Economic Forum in Chongqing, China in 2014



Ng Fook Ai Victor

Lead Independent Director

Master of Economics, University of London (Birkbeck College),
England

Date of first appointment as Director: 10 June 2016
Date of last re-appointment as Director: -
Length of services as Director: 0.5 years (as at 31 December 2016)

Date of appointment as Lead Independent Director:
27 October 2016

Served on the following Board Committees

- Audit Committee – Chairman
- Finance Committee – Member

Present Directorships in other listed companies

- MY E.G. Services Berhad
- Sunshine 100 China Holdings Ltd
- SHC Capital Asia Limited
- Soilbuild Business Space Reit Ltd

Present Principal Commitments

(other than directorships in other listed companies)

- Nil

Directorships in other listed companies held over the preceding three years

- Devotion Energy Group Limited

Background and Experience

- More than 30 years of experience as a Director on various boards of listed and non-listed companies in Singapore, Hong Kong and Malaysia
- More than 20 years of senior management and investment banking experience, and has extensive experience in auditing, taxation and corporate advisory

BOARD OF DIRECTORS



Datuk Roger Tan Kor Mee

Independent Director

Master of Laws, National University of Singapore, Singapore
Barrister-at-Law, Honourable Society of Gray's Inn, London
Bachelor of Laws (Honours) Degree, Queen Mary College,
University of London, England

Date of first appointment as Director: 22 May 2015
Date of last re-appointment as Director: 22 April 2016
Length of services as Director: 1.6 years (as at 31 December 2016)

Served on the following Board Committees

- Nominating Committee – Chairman
- Remuneration Committee – Member

Present Directorships in other listed companies

- Nil

Present Principal Commitments

(other than directorships in other listed companies)

- National Water Services Commission Malaysia (SPAN), Commissioner
- Strata Management Tribunal, President
- Roger Tan & Partners, Managing Partner

Directorships in other listed companies held over the preceding three years

- Nil

Background and Experience

- Chairman of the Disciplinary Committee, Legal Affairs Committee and Dispute Resolution Committee of SPAN
- Head of the Bar Council's Law Degree Evaluation Team set up by the Legal Profession Qualifying Board
- Board Member, Solid Waste Management and Public Cleansing Corporation (2009-2015)
- Member (2013-2015), Advocates & Solicitors Disciplinary Board
- Elected member (2004-2008) of the Bar Council of Malaysia
- Law Lecturer, Tunku Abdul Rahman College (1989-1992)



Dato' Lee Yeow Chor @ Lee Yew Meng

Independent Director

Advanced Diploma in Commercial Management, Institute of Commercial Management (ICM), England

Date of first appointment as Director: 25 May 2016
Date of last re-appointment as Director: -
Length of services as Director: 0.6 years (as at 31 December 2016)

Served on the following Board Committees

- Audit Committee – Member

Present Directorships in other listed companies

- Nil

Present Principal Commitments

(other than directorships in other listed companies)

- The CEO and Executive Director of Genovasi Malaysia, a dedicated 'Design Thinking' school that is affiliated with the Hasso Plattner School of Design Thinking, Germany

Directorships in other listed companies held over the preceding three years

- Nil

Background and Experience

- A track record of 40 years in the media and communications industry, with working relations with leading publications including The Star (Malaysia), The Sun (Malaysia) and advertising consultancies and government agencies



Tang Nai Soon

Independent Director

Bachelor of Computer Science (Honours) Degree, Universiti Teknologi Malaysia, Malaysia

Date of first appointment as Director: 24 April 2014
Date of last re-appointment as Director: 22 April 2015
Length of services as Director: 2.7 years (as at 31 December 2016)

Served on the following Board Committees

- Remuneration Committee – Chairman
- Nominating Committee – Member

Present Directorships in other listed companies

- SCGM Berhad
- Spring Gallery Berhad

Present Principal Commitments

(other than directorships in other listed companies)

- A member of the Board of Trustees in Kulai 'Sejahtera' Foundation Johor, since 2015

Directorships in other listed companies held over the preceding three years

- Nil

Background and Experience

- A Member of the Johor State Legislative Assembly from 2008 to 2013
- Exposure to financial reporting, risk management and internal control systems in the field of work over the years



Ragesh Rajendran

Alternate Director to Datuk Seri Wong Chun Wai

Chartered Management Accountant with the Chartered Institute of Management Accountants (CIMA)
Chartered Accountant with the Malaysian Institute of Accountants (MIA)
Master of Business Administration (MBA), RMIT University, Australia

Date of first appointment as Alternate Director: 15 Mar 2017
Date of last re-appointment as Director: Not applicable
Length of services as Alternate Director: Not applicable (as at 31 December 2016)

Served on the following Board Committees

- Not applicable

Present Directorships in other listed companies

- Nil

Present Principal Commitments

(other than directorships in other listed companies)

- The Group CFO of Star Media Group Berhad since 1 April 2011
- The Director of Leaderonomics Sdn Bhd, a subsidiary of Star Media Group Berhad

Directorships in other listed companies held over the preceding three years

- Nil

Background and Experience

- Over 27 years of working experience in accounting, finance, business management, treasury, inventory management, credit control, payroll, taxation, and risk management
- Involved in Corporate re-structuring exercises, and investor relations including quarterly results briefing
- Involved in assessing potential mergers and acquisition, including evaluating the basis of valuation of target company, and the due diligence process

INVESTOR RELATIONS

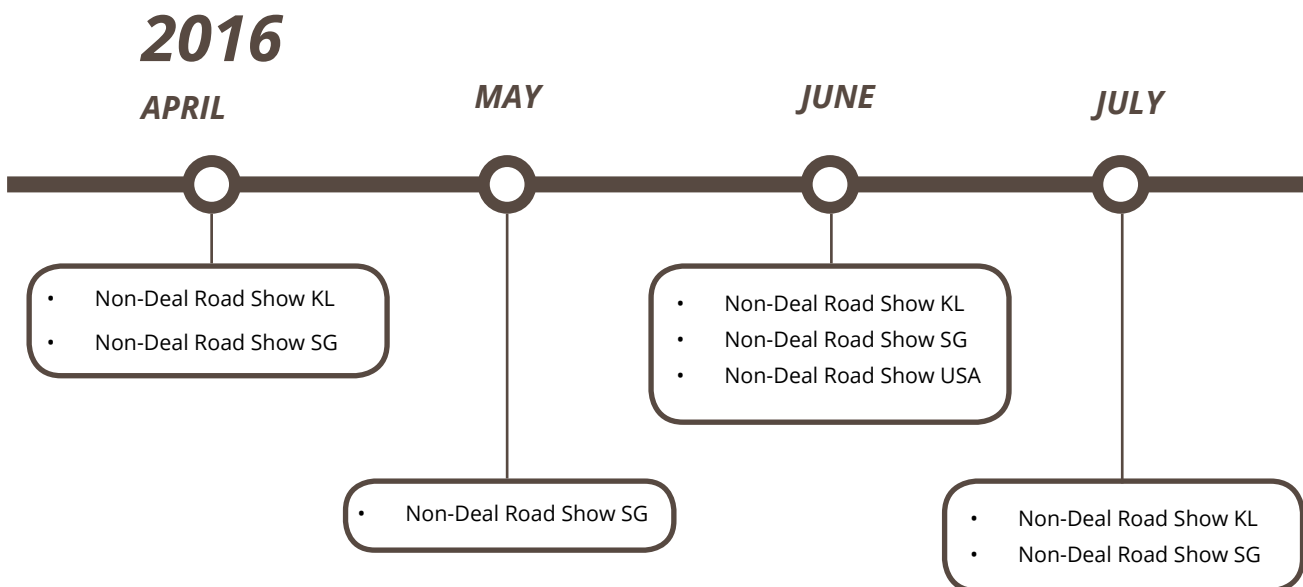
The Group believes that good corporate governance is an essence for the Company for its added value, sustainable growth and competitiveness. Investor Relations ("IR") plays an important role in the Company's overall business operations- It reflects the efficient, transparent and verifiable management system of the Company, which strengthen the trust and confidence of shareholders.

We place high importance in nurturing good relations with our shareholders and our sell-side research analysts. We have embraced an internal IR structure to actively communicate with investors and analysts in the form of half-yearly presentations of results achieved as well as one-on-one meetings which enable the investors and analysts to be in direct communication with the Senior management.

The Company is also involved in participating and organising investor conferences. Examples of events organised is the Investors' Day as well as site visits to our AVENGERS S.T.A.T.I.O.N. exhibitions, when there are open interactions with the investment community on our business operations. This also enable shareholders and investors to better assess our performance in the different business divisions.

Cityneon adopts a high level of corporate governance with the practice of an organised and continuous provision of information on the Company, where announcements and press releases are disseminated via SGXNET to the SGX-ST and simultaneously up-loaded on our corporate website to ensure timely and fair disclosure. (<http://cityneon.net/investor-relations/>)

The Management and Investor Relations team engaged with more than 300 Fund managers and/or investors till date, through organised non-deal Roadshows in Singapore, Malaysia, Hong Kong, Taiwan, and United States of America.



COVERAGE BY EQUITY RESEARCH HOUSES / ANALYSTS (RATED REPORTS)

- DBS Securities
- CIMB Securities
- UOB Kay Hian

(UN-RATED)

- Daiwa Capital Market
- CLSA Research
- Maybank Kim Eng

Cityneon Group's market capitalisation as at 31 December 2016 was \$232 million based on share price of \$0.95.

IR CONTACT

Emily Choo
 Head, Corporate Development
 Cityneon Holdings Limited
 Email: emily.choo@cityneongroup.com

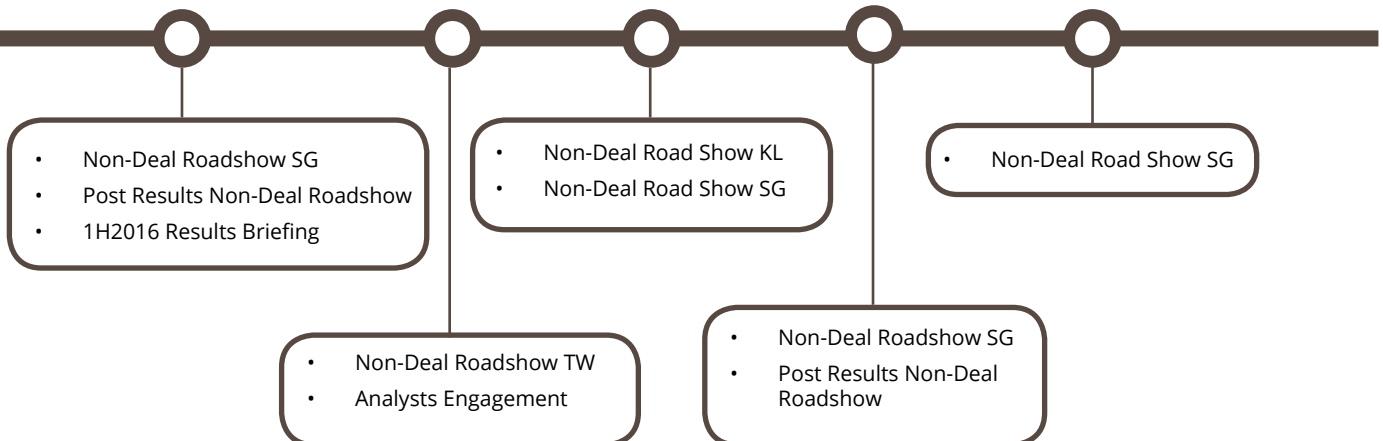
AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER



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