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**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**


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**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS**

- 1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**Consolidated Income Statement**

	<b>Group</b>		<b>Change</b>
	<b>12 months ended</b>		
	<b>31 December</b>		
	<b>2016</b>	<b>2015</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	96,752	96,488	0.3
Cost of sales	(63,430)	(73,188)	(13.3)
<b>Gross profit</b>	<b>33,322</b>	<b>23,300</b>	<b>43.0</b>
Other operating income	1,791	689	159.9
Marketing and distribution expenses	(1,619)	(1,159)	39.7
Administrative and other operating expenses	(24,050)	(21,641)	11.1
Total operating expenses	(25,669)	(22,800)	12.6
Finance costs	(641)	(411)	56.0
Share of results of associate, net of tax	(116)	16	(825.0)
<b>Profit before other expenses and income tax</b>	<b>8,687</b>	<b>794</b>	<b>994.1</b>
Other expenses*	(1,358)	-	100.0
<b>Profit before income tax</b>	<b>7,329</b>	<b>794</b>	<b>823.0</b>
Income tax (expense)/credit	(720)	39	(1946.2)
<b>Profit for the year</b>	<b>6,609</b>	<b>833</b>	<b>693.4</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange difference on translation of foreign operations, net of tax amounting to \$Nil (2015: \$Nil)	915	1,065	(14.1)
Realisation of foreign exchange reserve upon strike off a subsidiary	22	-	100.0
<b>Total comprehensive income for the year, net of tax</b>	<b>7,546</b>	<b>1,898</b>	<b>297.6</b>
<b>Profit attributable to:</b>			
Owners of the parent	6,680	871	666.9
Non-controlling interests	(71)	(38)	86.8
	<b>6,609</b>	<b>833</b>	<b>693.4</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	7,617	1,936	293.4
Non-controlling interests	(71)	(38)	86.8
	<b>7,546</b>	<b>1,898</b>	<b>297.6</b>
Gross profit margin	34.4%	24.1%	42.7
Profit before tax margin	7.6%	0.8%	850.0
Net profit attributable to owners of the parent as a percentage of revenue	6.9%	0.9%	666.7
Additional Information:			
Profit from operation is determined after charging/(crediting):			
Allowance for doubtful debt - trade	244	80	205.0
Amortisation expense	887	190	366.8
Depreciation of property, plant and equipment	3,555	1,282	177.3
Foreign exchange (gain)/loss, net	(441)	349	(226.4)
Gain on disposal of property, plant and equipment	(11)	(21)	(47.6)
Government grants	(841)	(374)	124.9
Property, plant and equipment written off	6	54	(88.9)

\*Other expenses of approximately S\$1.4 million represents:

- i) additional purchase considerations of approximately S\$0.6 million made to Vendor, pertaining to the acquisition of Victory Hill Exhibitions Pte Ltd in FY2015;
- ii) salary in lieu of notice and associated expenses amounting to S\$0.3 million; and
- iii) one off pre-opening marketing expenses in Las Vegas amounting to S\$0.5 million.

1 A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

**Statements of Financial Position**

	Group		Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-Current</b>				
Property, plant and equipment	43,437	16,032	-	-
Intangible assets	6,954	6,835	-	-
Goodwill	2,935	2,935	-	-
Investment in subsidiaries	-	-	34,513	34,885
Investment in associate	260	376	-	-
Prepayments	496	969	-	-
	<u>54,082</u>	<u>27,147</u>	<u>34,513</u>	<u>34,885</u>
<b>Current</b>				
Inventories	731	191	-	-
Amounts due from contract customers	12,715	6,906	-	-
Trade and other receivables	28,717	29,050	29,486	16,108
Cash and cash equivalents	23,779	24,269	2,180	777
	<u>65,942</u>	<u>60,416</u>	<u>31,666</u>	<u>16,885</u>
<b>TOTAL ASSETS</b>	<u>120,024</u>	<u>87,563</u>	<u>66,179</u>	<u>51,770</u>
<b>EQUITY</b>				
<b>Capital and Reserves</b>				
Share capital	50,376	38,006	50,376	38,006
Reserves	18,920	11,561	1,005	552
<b>Equity attributable to owners of the parent</b>	<u>69,296</u>	<u>49,567</u>	<u>51,381</u>	<u>38,558</u>
<b>Non-controlling interests</b>	313	452	-	-
<b>TOTAL EQUITY</b>	<u>69,609</u>	<u>50,019</u>	<u>51,381</u>	<u>38,558</u>
<b>LIABILITIES</b>				
<b>Non-Current</b>				
Finance lease obligations	37	168	-	-
Deferred taxation liabilities	809	936	-	-
	<u>846</u>	<u>1,104</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
Amounts due to contract customers	1,282	849	-	-
Trade and other payables	19,609	23,806	5,808	5,212
Bank borrowings	24,717	8,196	5,490	4,500
Loan from ultimate holding company	3,500	3,500	3,500	3,500
Finance lease obligations	24	76	-	-
Income tax payables	437	13	-	-
	<u>49,569</u>	<u>36,440</u>	<u>14,798</u>	<u>13,212</u>
<b>TOTAL LIABILITIES</b>	<u>50,415</u>	<u>37,544</u>	<u>14,798</u>	<u>13,212</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>120,024</u>	<u>87,563</u>	<u>66,179</u>	<u>51,770</u>

1 Aggregate amount of group's borrowings and debts securities  
(b)(ii)

	Group	
	31 Dec 2016	31 Dec 2015
	S\$'000	S\$'000
Amount repayable within one year:		
- secured	24,741	8,272
- unsecured	3,500	3,500
	<u>28,241</u>	<u>11,772</u>
Amount repayable after one year but within five years:		
- secured	37	168
- unsecured	-	-
	<u>37</u>	<u>168</u>

**Details of any collateral**

The bank loans are secured by corporate guarantees.

The finance lease obligations of the Group are secured by the rights to the leased motor vehicles.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

**Consolidated Statement of Cash Flows**

	Note	Group	
		12 months ended	
		31 December	
		2016	2015
		S\$'000	S\$'000
<b>Operating Activities</b>			
Profit before income tax		7,329	794
Adjustments for:-			
Depreciation of property, plant and equipment		3,159	1,066
Depreciation of property, plant and equipment charged to cost of sales		396	216
Amortisation expense		887	190
Interest income		(63)	(43)
Interest expense		641	411
Property, plant and equipment written off		6	54
Gain on disposal of property, plant and equipment		(11)	(21)
Allowance for doubtful debt - trade		244	80
Share of results of associate, net of tax		116	(16)
Operating cash flows before working capital changes		12,704	2,731
Changes in working capital:			
Inventories		(541)	128
Trade and other receivables		696	(6,454)
Amounts due from contract customers, net		(5,557)	473
Trade and other payables		(4,320)	6,648
Cash generated from operations		2,982	3,526
Interest paid		(641)	(411)
Income taxes paid, net		(425)	(225)
<b>Net cash generated from operating activities</b>		1,916	2,890
<b>Investing Activities</b>			
Purchase of property, plant and equipment	A	(29,612)	(4,570)
Proceeds from disposal of property, plant and equipment		214	28
Purchase of intangible assets		(970)	-
Acquisition of subsidiaries	B	-	(10,000)
Capital contribution by non-controlling interest of subsidiary		2	-
Long term fixed deposits		(22)	(1,118)
Investment in an associate		-	(360)
Interest received		63	43
<b>Net cash used in investing activities</b>		(30,325)	(15,977)
<b>Financing Activities</b>			
Proceeds on issuance of shares		12,504	15,713
Share issue expenses		(392)	(184)
Repayment of finance lease obligations		(181)	(64)
Proceeds from bank borrowings		33,163	13,502
Repayment of bank borrowings		(17,317)	(16,573)
Dividend paid to shareholders of the Company		-	(885)
Dividend paid to non-controlling interests		(70)	-
<b>Net cash generated from financing activities</b>		27,707	11,509
<b>Net decrease in cash and cash equivalents</b>		(702)	(1,578)
<b>Cash and cash equivalents at beginning of the financial year</b>		23,151	23,881
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies		162	848
<b>Cash and cash equivalents at end of the financial year</b>	C	22,611	23,151

Notes:

**A Property, plant and equipment**

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of approximately S\$29,612,000 (2015: S\$4,641,000) of which S\$Nil (2015: S\$71,000) was acquired by means of finance lease. Cash payments of approximately S\$29,612,000 (2015: S\$4,570,000) were made to purchase property, plant and equipment.

**B Acquisition of subsidiaries**

The fair value of assets acquired and liabilities assumed during the financial year were as follows:-

	Group	
	12 months ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Net assets acquired	-	17,054
Goodwill	-	2,837
Purchase consideration	-	19,891
Less: Contingent consideration	-	(2,016)
Less: Share consideration	-	(7,875)
Net cash outflow on acquisition	-	10,000

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

Cash and bank balances  
Less: bank deposits pledged

<b>Group</b>	
<b>12 months ended</b>	
<b>31 December</b>	
<b>2016</b>	<b>2015</b>
<b>S\$'000</b>	<b>S\$'000</b>
23,779	24,269
(1,168)	(1,118)
<u>22,611</u>	<u>23,151</u>

1 A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**Statements of Changes in Equity**

Group (S\$'000)	Attributable to owners of the parent						Non-controlling interests	Total equity	
	Share capital	Retained earnings	Statutory reserve	Share option reserve	Currencies translation reserve	Premium paid on acquisition of non-controlling interests			Total
<b>2015</b>									
As at 1 January 2015	14,602	12,452	149	566	(2,647)	(10)	25,112	490	25,602
Profit for the year	-	871	-	-	-	-	871	(38)	833
Other comprehensive income:									
Exchange differences on translating foreign operations, net of tax	-	-	-	-	1,065	-	1,065	-	1,065
Total comprehensive income for the year	-	871	-	-	1,065	-	1,936	(38)	1,898
Issue of new shares	23,404	-	-	-	-	-	23,404	-	23,404
Transfer of share option reserve	-	304	-	(304)	-	-	-	-	-
Dividends	-	(885)	-	-	-	-	(885)	-	(885)
As at 31 December 2015	38,006	12,742	149	262	(1,582)	(10)	49,567	452	50,019
<b>2016</b>									
As at 1 January 2016	38,006	12,742	149	262	(1,582)	(10)	49,567	452	50,019
Profit for the year	-	6,680	-	-	-	-	6,680	(71)	6,609
Other comprehensive income:									
Exchange differences on translating foreign operations, net of tax	-	-	-	-	915	-	915	-	915
Realisation of foreign exchange reserve upon strike off subsidiary	-	-	-	-	22	-	22	-	22
Total comprehensive income for the year	-	6,680	-	-	937	-	7,617	(71)	7,546
Issue of new shares									
- Share placements	10,609	-	-	-	-	-	10,609	-	10,609
- Exercised of share options	1,503	-	-	-	-	-	1,503	-	1,503
Transfer on exercised of share options	258	-	-	(258)	-	-	-	-	-
Transfer of share option reserve	-	1	-	(1)	-	-	-	-	-
Capital contribution by non-controlling interest of subsidiary	-	-	-	-	-	-	-	2	2
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(70)	(70)
As at 31 December 2016	50,376	19,423	149	3	(645)	(10)	69,296	313	69,609

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

	Share capital	Share option reserve	Retained earnings	Total
<b>2015</b>				
As at 1 January 2015	14,602	667	1,335	16,604
Issue of new shares	23,404	-	-	23,404
Total comprehensive income for the year	-	-	(565)	(565)
Transfer of share option reserve	-	(234)	234	-
Dividends	-	-	(885)	(885)
As at 31 December 2015	38,006	433	119	38,558
<b>2016</b>				
As at 1 January 2016	38,006	433	119	38,558
Total comprehensive income for the year	-	-	711	711
Issue of new shares				
- Share placements	10,609	-	-	10,609
- Exercised of share options	1,503	-	-	1,503
Transfer on exercised of share options	258	(258)	-	-
As at 31 December 2016	50,376	175	830	51,381

- 1 (d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of issued shares excluding treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

**Share Capital**

The movements in the number of ordinary share are as follows:

	<b>2016</b>	<b>2015</b>
As at 1 January	220,818,795	88,525,400
Issued due to share options exercised	3,837,400	-
Issued due to share placement	20,000,000	-
Rights issue	-	87,293,395
Consideration for acquisition	-	45,000,000
As at 31 December	<u>244,656,195</u>	<u>220,818,795</u>

The movements in the share capital are as follows:

	<b>2016</b> <b>S\$</b>	<b>2015</b> <b>S\$</b>
As at 1 January	38,006,064	14,602,328
Issued due to share options exercised	1,504,096	-
Transfer of share option reserve to share capital on exercise of options	257,701	-
Issued due to share placement	11,000,000	-
Rights issue	-	15,712,811
Share issue expenses	(391,559)	(184,075)
Consideration for acquisition	-	7,875,000
As at 31 December	<u>50,376,302</u>	<u>38,006,064</u>

**Share Options**

The movements in the number of share options are as follows:

	<b>2016</b>	<b>2015</b>
As at 1 January	3,874,400	4,530,400
Lapsed	(8,000)	(656,000)
Exercised	<u>(3,837,400)</u>	<u>-</u>
As at 31 December	<u>29,000</u>	<u>3,874,400</u>

Since the end of the previous financial year, no new share option was granted during the financial year. There were 29,000 (31 December 2015: 3,874,400) share options under the Scheme granted by the Company as at 31 December 2016.

- 1 (d)(iii) **Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>Group and Company</b>	
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
Total number of issued shares excluding treasury	<u>244,656,195</u>	<u>220,818,795</u>

- 1 (d)(iv) **A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

**Treasury shares**

As at 31 December 2016, the Company did not hold any treasury shares.

- 2 **Whether the figures have been audited, or reviewed and in accordance with which standard or practice**

The figures have not been audited nor reviewed by the Company's auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4 **Whether the same accounting policies and method of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the financial year ended 31 December 2015, except for those disclosed in paragraph 5 below.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted all the new and revised FRSs and interpretations to FRS ("INT FRS") that are relevant to its operations and effective for current period beginning on or after 1 January 2016. The adoption of these new or revised FRS and INT FRS did not result in any substantial changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	<b>Group</b>	
	<b>12 months ended</b>	
	<b>31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>(cents)</b>	<b>(cents)</b>
EPS (based on consolidated net profit attributable to owners of the parent)		
- Basic earnings per share (cents)	2.8	0.7
- Diluted earnings per share (cents)	2.8	0.7

**Note**

- 1 Basic earnings per share is calculated by dividing profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue of 235,955,439 (2015: 123,907,154) during the financial year.
- 2 Diluted earnings per share is computed based on the weighted average number of ordinary shares after adjusting for the effects of potential dilutive ordinary shares is 235,981,498 (2015: 123,907,154) for the financial year.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

<b>NET ASSET VALUE PER SHARE</b>	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>31 Dec 2015</b>
	<b>(cents)</b>	<b>(cents)</b>	<b>(cents)</b>	<b>(cents)</b>
Net assets value per share based on existing issued share capital as at the respective dates	28.3	22.4	21.0	17.5

Net asset value per share is computed based on the number of issued shares of 244,656,195 as at 31 December 2016 (31 December 2015: 220,818,795).

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. Any material factors that affected the cash flows, working capital, assets or liabilities of the group during the current financial period reported on**

**Revenue**

The Group's revenue for financial year ended 31 December 2016 ("FY2016") remains relatively unchanged at S\$96.8 million compared to S\$96.5 million recorded a year ago ("FY2015").

	<b>Group</b>		<b>Change</b>
	<b>12 months ended</b>		
	<b>31 December</b>		
	<b>2016</b>	<b>2015</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>By Business Units ("BU")</b>			
Exhibition Services ("EX")	30,125	27,106	11.1
Experiential Environment ("EE")	18,296	21,730	(15.8)
Event Management ("EM")	8,355	28,647	(70.8)
Interior Architecture ("IA")	22,316	18,318	21.8
Intellectual Property Rights ("IPR")	17,660	687	N.M.
Total	96,752	96,488	0.3

Revenue from EX increased by 11.1% mainly from the delivery of major shows such as Food & Hotel Asia 2016, CommunicAsia 2016, Bahrain International Air Show and COP22 during the year.

Revenue from EM decreased mainly due to the absence of events such as SEA Games and ASEAN Para-olympic Games 2015.

With the recognition of works completed under IA, its revenue improved 21.8% from S\$18.3 million to S\$22.3 million.

About 18.3% of the total revenue was contributed by the IPR, a new business unit which arose from the acquisition of Victory Hill Exhibitions Pte Ltd ("VHE"), which was completed on 30 September 2015. Revenue from IPR was mainly generated from both the travelling and permanent exhibitions.

Despite the relatively unchanged revenue, gross profit increased by 43.0% from S\$23.3 million in FY2015 to S\$33.3 million in FY2016. This is mainly achieved by higher gross profit margin ("GPM") of 75.5% generated from IPR business undertaken by the Group in the financial year under review. The aggregate GPM improved from 24.1% in FY2015 to 34.4% in FY2016.

### Other Operating Income

	Group		Change %
	12 months ended 31 December		
	2016 S\$'000	2015 S\$'000	
Bank interest income	63	43	46.51
Foreign exchange gain (net)	441	-	100.00
Gain on disposal of plant and equipment	11	21	(47.62)
Government grants	841	374	124.87
Rental income	81	93	(12.90)
Trade payable written back	172	27	537.04
Miscellaneous income	182	131	38.93
<b>Total other operating income</b>	<b>1,791</b>	<b>689</b>	<b>159.94</b>

Other operating income increased by S\$1.1 million in FY2016 mainly due to higher trade payables written back and government grants obtained in FY2016.

### Expenses

	Group		Change %
	12 months ended 31 December		
	2016 S\$'000	2015 S\$'000	
Marketing and distribution expenses	(1,619)	(1,159)	39.7
Administrative and other operating expenses	(24,050)	(21,641)	11.1
<b>Total operating expenses</b>	<b>(25,669)</b>	<b>(22,800)</b>	<b>12.6</b>
Finance costs	(641)	(411)	56.0
Other expenses	(1,358)	-	100.0
<b>Total Expenses</b>	<b>(27,668)</b>	<b>(23,211)</b>	<b>19.2</b>

Total operating expenses included the following items:

	Group		Change %
	12 months ended 31 December		
	2016 S\$'000	2015 S\$'000	
<b>Operating expenses</b>			
Allowance for doubtful debts - Trade	244	80	205.0
Depreciation of property, plant and equipment	3,159	1,066	196.3
Foreign exchange loss (net)	-	349	(100.0)
Amortisation expense	887	190	366.8
Property, plant and equipment written off	6	54	(88.9)

### Marketing and Distribution Expenses

Marketing and distribution expenses increased by approximately S\$0.5 million in the financial year under review with cost incurred by IPR in promoting its business.

### Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased by S\$2.4 million from S\$21.6 million in FY2015 to S\$24.0 million in FY2016. The increase was mainly due to higher depreciation of property, plant and equipment amounting to S\$2.1 million and higher amortisation of intangible assets amounting to S\$0.9 million.

### Finance cost

Finance cost increased by approximately S\$0.2 million from S\$0.4 million in FY2015 to S\$0.6 million in FY2016 due to higher cost of borrowings and higher bank borrowings in the financial year under review.

### Share of loss from Associate

Share of loss from associate company was S\$116,000 compared to share of profit of S\$16,000 in FY2015.



### **Other Expenses**

Other expenses amounting to S\$1.4 million was recorded for the following one-off items:

- (i) additional purchase considerations of approximately S\$0.6 million made to Vendor, pertaining to the acquisition of Victory Hill Exhibitions Pte Ltd in FY2015;
- (ii) salary in lieu of notice and associated expenses amounting to S\$0.3 million; and
- (iii) one off pre-opening marketing expenses in Las Vegas amounting to S\$0.5 million.

### **Income tax expense**

In FY2016, there was a tax expense of S\$720,000 compared to tax credit of S\$39,000 in FY2015. The tax expense was mainly due to higher profits achieved by IPR business.

### **Profit for the year**

After considering above factors, the Group has generated net profit after tax of approximately S\$6.6 million, increased from S\$0.8 million a year ago.

### **Review of Financial Position**

Net assets value ("NAV") of the Group as at 31 December 2016 was S\$69.3 million. This translates into 28.3 cents per ordinary share representing an increase of 26% over FY2015 NAV per share. The number of shares increased from 220,818,795 as at 31 December 2015 to 244,656,195 as at 31 December 2016. This was due to a share placement exercise in May 2016 of which 20,000,000 new shares were issued. There were also 3,837,400 new shares issued for employees share options exercised by staff in FY2016.

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

- (i) Increases in Property, Plant & Equipment ("PPE") from S\$16.0 million to approximately S\$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 S\$0.2 million to S\$0.7 million mainly due to merchandises purchased in Las Vegas.
- (iii) The trade and other receivables decreased slightly from S\$29.0 million in FY2015 to S\$28.7 million in FY2016 was mainly due to faster collection from debtors. Trade and other payables have decreased from S\$23.8 million to S\$19.6 million mainly due to faster payment made to suppliers.
- (iv) Amount due from contract customers increased from S\$6.9 million to S\$12.7 million mainly due to slower billings for workdone in FY2016 compared to FY2015.
- (v) Increases in the amount due to contract customers resulted from project workdone but not billed by suppliers as at year end.
- (vi) Bank borrowings increased by S\$16.5 million from S\$8.2 million in FY2015 to S\$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 Flows Review**

As at 31 December 2016, the Group recorded net cash generated from operating activities of S\$1.9 million.

- Net cash generated from Trade and other receivables in FY2016 mainly due to faster collection from customers in FY2016 compared to FY2015.
- Amount due from contract customers recorded a net decrease in cash of S\$5.6 million due to slower billing because unlike a year ago, higher projects work recorded near year end.
- The net decrease of S\$4.3 million in trade and other payables in FY2016 was due to faster payment made to supplier as compared to FY2015.
- Higher interests amounting to S\$0.6 million was due to increases in bank borrowings in FY2016 as compared to a year ago.
- Higher tax amount of S\$0.4 million was paid mainly for withholding tax paid in advance in FY2016.

The Group recorded net cash used in investing activities amounting to approximately S\$30.3 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 S\$1.0 million.

The Group recorded a net cash generated from financing activities of approximately S\$27.7 million in FY2016. This consists of cash of S\$12.5 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 S\$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 S\$17.3 million in FY2016.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual result**

There is no forecast or prospect statement previously disclosed to shareholders.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Following the acquisition of Victory Hill Exhibitions Pte. Ltd (“VHE”) in September 2015, the Group has embarked its journey onto ownership of Intellectual Property Rights (“IPR”), namely “Avengers S.T.A.T.I.O.N.” and “Transformers” to produce the immersive attractions exhibitions globally.

Having these two strong IPR, Avengers and Transformers, from Marvel Characters B.V. and Hasbro International Inc. respectively, the Group continues to develop and implement the existing business plans as well as expanding its foothold across the regions particularly in China. The Group is ready to set up its inaugural set in China in FY2017 as well as seizing more opportunities.

Despite a stellar year of financial performances, the Group proceeded to undertake and completed a strategic business review of all its business divisions in 2016 – to stand ready for the more uncertain and unpredictable macro-economic environment in 2017 and beyond. The Group will be re-organized into a more nimble and leaner organization across its various divisions in 2017, targeting to shed approximately S\$4.0 million in operating expenses. The difficult environment in its traditional contracting businesses, however, also presented unique opportunities in its Experiential Environment (“Theme Parks”) divisions, with successful track records established after its effective completion of the multi-million international theme park project in Shanghai.

2017 is yet going to be another busy year, with the completion of the Avengers S.T.A.T.I.O.N. tour in Singapore; the openings in Taiwan and Australia; the launch of Avengers S.T.A.T.I.O.N. and Transformers experiences in China; focusing on the theme park build projects; and our Middle Eastern focuses.

The Group will continue to seek opportunities for business expansion encompassing the exploration of new intellectual property rights and/or of mergers and acquisitions.

**11 Dividend**

**(a) Current Financial Period reported on**

**Any dividend declared for the current financial period reported on?** No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?** No

**(c) Date payable**

Not Applicable

**(d) Books closure date**

Not Applicable

**12 If no dividend has been declared / recommended, a statement to that effect**

Not applicable.

**13 Interested Person Transactions**

<b>Name of Interested Person</b>	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
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	<b>\$’000</b>	<b>\$’000</b>
Star Media Group Berhad	NA	133

**PART II INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This is not applicable to Q1, Q2, Q3 or Half Year Results)

**14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

**(a) Business segments**

Group	12 months ended 31 December 2016							Total
	Exhibition Services	Experiential Environment	Event Management	Interior Architecture	Intellectual Property Rights	Unallocated	Eliminations	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Revenue</b>								
External revenue	30,125	18,296	8,355	22,316	17,660	-	-	96,752
Inter-segment revenue	3,037	4,993	-	770	34	-	(8,834)	-
<b>Total Revenue</b>	<b>33,162</b>	<b>23,289</b>	<b>8,355</b>	<b>23,086</b>	<b>17,694</b>	<b>-</b>	<b>(8,834)</b>	<b>96,752</b>
<b>Results</b>								
Segment results	2,461	2,001	(36)	439	6,504	-	-	11,369
Unallocated expenses (net)								(3,346)
Share of results of associate, net of tax								(116)
Interest income								63
Finance cost								(641)
Profit before income tax								7,329
Income tax expenses								(720)
Profit after income tax but before non-controlling interests								6,609
Non-controlling interests								71
Profit attributable to owners of the parent								6,680
<b>Assets and Liabilities</b>								
Segment assets	25,534	15,133	3,874	13,652	56,312	5,519	-	120,024
Segment liabilities	5,635	6,749	1,602	7,280	19,405	9,744	-	50,415
<b>Other Segment Information</b>								
Capital expenditure	1,385	66	331	373	27,431	26	-	29,612
Depreciation of property, plant and equipment	390	10	20	91	2,531	117	-	3,159
Amortisation expenses	-	-	-	-	887	-	-	887
Depreciation of property, plant and equipment charged to project cost	123	7	157	109	-	-	-	396
Allowance for doubtful debts	50	42	-	152	-	-	-	244
Non-cash expenses other than depreciation and allowance for doubtful debts	6	-	-	-	887	-	-	893

12 months ended 31 December 2015

Group	Exhibition Services	Experiential Environment	Event Management	Interior Architecture	Intellectual Property Rights	Unallocated	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>								
External revenue	27,106	21,730	28,647	18,318	687	-	-	96,488
Inter-segment revenue	2,233	1,312	-	47	-	-	(3,592)	-
<b>Total Revenue</b>	<b>29,339</b>	<b>23,042</b>	<b>28,647</b>	<b>18,365</b>	<b>687</b>	<b>-</b>	<b>(3,592)</b>	<b>96,488</b>
<b>Results</b>								
Segment results	3,206	1,082	3,030	(1,330)	(400)	-	-	5,588
Unallocated expenses (net)								(4,442)
Share of results of associate, net of tax								16
Interest income								43
Finance cost								(411)
Profit before income tax								794
Income tax expenses								39
Profit after income tax but before non-controlling interests								833
Non-controlling interests								38
Profit attributable to owners of the parent								871
<b>Assets and Liabilities</b>								
Segment assets	30,740	8,983	12,757	8,926	15,000	11,157	-	87,563
Segment liabilities	7,296	3,506	8,072	6,183	2,153	10,334	-	37,544
<b>Other Segment Information</b>								
Capital expenditure	1,741	-	59	159	2,658	24	-	4,641
Depreciation of property, plant and equipment	437	-	38	109	276	206	-	1,066
Amortisation expenses	-	-	-	-	190	-	-	190
Depreciation of property, plant and equipment charged to project cost	-	-	200	16	-	-	-	216
Allowance for doubtful debts	80	-	-	-	-	-	-	80
Non-cash expenses other than depreciation and allowance for doubtful debts	53	-	-	-	190	-	-	243

(b) **Geographical Information**

	Revenue		Non-current Assets	
	12 months ended		As at	
	31 December		31 December	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	26,314	43,359	4,706	11,333
China	17,862	9,413	7	12
Asia Pacific	13,476	2,770	65	10
Middle East	9,820	20,806	1,325	1,334
Malaysia	3,089	13,157	1,715	1,496
USA / Europe / Others	26,191	6,983	46,264	12,962
Total	<u>96,752</u>	<u>96,488</u>	<u>54,082</u>	<u>27,147</u>

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 8.

**16 A breakdown of revenue as follows:**

	Group		
	2016	2015	Change
	S\$'000	S\$'000	%
(a) Revenue			
- for 6 months ended 30 June	46,321	40,688	13.8
- for 6 months ended 31 December	50,431	55,800	(9.6)
Total	<u>96,752</u>	<u>96,488</u>	0.3
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported			
- for 6 months ended 30 June	4,698	(735)	739.2
- for 6 months ended 31 December	1,911	1,568	21.9
Total	<u>6,609</u>	<u>833</u>	693.4

**17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	Group	
	12 months ended	
	31 December	
	2016	2015
	S\$'000	S\$'000
Ordinary shares	-	885

**18 Person occupying managerial position**

There is no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive director or substantial shareholder of the issuer pursuant to Rule 704(13).

**19 Confirmation that issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX Listing Manual.**

The Company has procured undertakings from all directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX Listing Manual.

**ON BEHALF OF THE BOARD**

**RON TAN**  
**GROUP CHIEF EXECUTIVE OFFICER**  
23 February 2017



**Cityneon Holdings Limited**  
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Registration No: 199903628E

## Immediate Release

# Cityneon reports record full year net profit

**- a 693 % increase from FY2015**

### Full-year highlights

- **Group's revenue is unchanged at S\$96.8 million, with the newly acquired Intellectual Property Right ("IPR") segment contributing 18.3% of the total revenue**
- **72.8% of the Group's Revenue was contributed outside of Singapore**
- **Net Profit after tax increased S\$5.8 million to S\$6.6 million, up by a significant 693% from previous years**
- **EBITDA increased S\$9.7 million to S\$12.4 million from S\$2.7 million in FY2015, surged by 359%**
- **Earnings Per Share ("EPS") increased from 0.7 cents to 2.8 cents, a considerable increase of 300% Y-O-Y**
- **Gross Profits Margins increased by 40% Y-O-Y, primarily due to high IPR's Gross Profits Margins of 75.5%**
- **IPR contributes approximately 90% of the total Net Profit after tax**
- **The Group completed its strategic business review and will proceed to align and integrate the various business segments to streamline its operating expenses in FY2017**

**SINGAPORE, 23 February 2017 – Mainboard-listed Cityneon Holdings Limited (SGX:5HJ)**

("Cityneon", the "Company", "城贸控股有限公司" or collectively with its subsidiaries, the "Group"), presented its full year results today. The Group's net profit after tax increased by S\$5.8 million or a significant 693% increase Y-O-Y.

The growth is largely due to the profits contribution of the newly acquired IPR segment, Victory Hill Exhibitions Pte Ltd ("VHE") in September 2015. VHE contributed approximately 18% of the total revenue in FY2016 and a significant 90% of the total Net Profit after tax in FY2016.

## Financial Highlights

In S\$million unless otherwise stated	FY2016	FY2015	Change % Increase/(decrease)
<b>Revenue</b>	96.8	96.5	0.3
<b>Gross Profit</b>	33.3	23.3	43.0
<b>Net Profit before tax</b>	7.3	0.8	823.0
<b>Net Profit after tax</b>	6.6	0.8	693.4
<b>EPS (cents)</b>	2.8	0.7	300.0
<b>NAV per share (cents)</b>	28.3	22.4	26.3

The Group's EBITDA of S\$12.4 million in FY2016 is a historical high for the Group, representing a remarkable 359% increase Y-O-Y. Approximately 73% of FY2016's revenue was contributed outside of Singapore which is ahead of the 53% average international revenue's contribution for small & medium enterprises reported in a recent survey conducted by International Enterprise (IE) Singapore<sup>1</sup>.

Save for the one-off expenses of S\$1.4 million, comprising of: (1). salary in-lieu and associated expenses of S\$0.3 million; (2). Pre-opening marketing expenses at the Las Vegas Avengers S.T.A.T.I.O.N experience of S\$0.5 million; and (3). the additional purchase considerations of approximately S\$0.6 million relating to the acquisition of VHE in FY2015; the profit after tax would have been approximately S\$8.0 million.

The Group's Gross Profit surged by S\$10.0 million in FY2016 to S\$33.3 million, despite unchanged revenue. This is primarily due to the higher gross profit margins of 75.5%

<sup>1</sup> <https://www.iesingapore.gov.sg/Media-Centre/News/2017/2/Overseas-push-brings-rich-dividends-for-local-firms>



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contribution by the IPR segment. Cityneon's Gross Profit margins improved by 40% to 34.4% in FY2016.

As at 31 December 2016, the Group continued to maintain a robust financial position with Net Asset value of S\$69.3 million, an increase of 40% from previous year. The Earnings Per Share ("EPS") also increased significantly by 300% in FY2016.

In May 2016, China Media Capital Holdings ("CMC"), the multi-billion-dollar media & entertainment fund in China, invested in the Group. In FY2016, the Group also substantially increased our shareholders' base with the support of both small and large institutional and retail investors.

Notwithstanding a stellar year of financial performances, the Group undertook and completed a strategic business review of all its business segments in FY2016, to get ready for the uncertain and unpredictable macro-economic environment expected in 2017 and beyond. The Group will be re-organized into a nimble and leaner organization across its various segments into FY2017, targeting to shed approximately S\$4 million in operating expenses. The challenging environment in the traditional contracting businesses, nonetheless, also presented unique opportunities in its Experiential Environment ("Theme Parks") segment, with successful track records established after its effective completion of the multi-million international theme park project in Shanghai. The Theme Parks segment is expected to contribute positively in the next two to three years with a strong pipeline of international projects.

***Mr. Ron Tan, Group CEO of Cityneon said, "We are greatly encouraged by the Group's full year results and pleased to be able to present to all the shareholders of Cityneon a spectacular set of financial performances in FY2016. 2017 is going to be yet another busy year, with the completion of the Avengers Station tour in Singapore; the openings in Taiwan and Australia; the launch of Avengers Station and Transformers experiences in China; focusing on the theme park build projects; and our Middle Eastern focuses, we hope to deliver an exciting year for all shareholders."***





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*Mr Tan added, "The stellar year of performance will not be made possible without the support of all the shareholders –institution and retail – and we are also grateful of the major partnerships we built up over the past years with major international studios such as Disney/Marvel Studios, Hasbro Studios, and Universal Studios for business activities across all our business divisions. We will continue to focus on the execution of the existing business plan and to seek further opportunities for business expansions encompassing the acquisition of new intellectual properties and/or mergers and acquisitions in the years ahead."*

**-End-**

#### **About Cityneon Holdings Limited**

Cityneon is a leading service provider of creative solutions in the area of Interior Architecture, Events, Exhibitions and Theme parks to global corporations, brands, businesses, government and international agencies worldwide. Creating unforgettable experiences through creativity, production quality, precise execution and delivery excellence. Cityneon has also developed very specialized expertise in the area of conceptualizing, designing and building of Museums, Galleries, Theme Parks and Attractions, including National Pavilions at World Expositions. Through immersive storytelling, using state-of-the art technologies, Cityneon creates breathtaking and emotionally stirring experiences. The Group's network across the world, together with our international partnerships, provides the company the opportunity to serve its clients globally. For more information, please visit [www.cityneon.net](http://www.cityneon.net)

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