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MEDIA MONITORING – Cityneon Holdings

## Lucrum 1 offers S\$115.6m for 52.5% stake in Cityneon

Investment holding firm also makes pre-conditional mandatory general offer for Cityneon shares

SINGAPORE-LISTED Cityneon Holdings Limited says Lucrum 1 Investment Limited has made a pre-conditional mandatory general offer for all the shares of the former that are not already bought.

This comes as Lucrum, an investment holding company incorporated in the British Virgin Islands, had on Friday entered into a conditional share purchase agreement with Laviani Pte Ltd, where the latter will sell to Lucrum its 128.5 million shares or 52.51 per cent stake in Cityneon at S\$0.90 apiece, in a cash deal valued at S\$115.6 million.

Lucrum's pre-conditional mandatory offer will not be made if the pre-condition - that completion is subject to the approval by the shareholders of Star Media at an EGM to be convened by the latter - is not fulfilled on or before Oct 31 this year, Cityneon said in a filing to the Singapore Exchange (SGX) on Friday. Laviani is a wholly-owned subsidiary of Star Media.

Cityneon added that Lucrum will cause to be held in escrow a sum of US\$17 million to be paid into an account of Dentons Rodyk & Davidson LLP that is to be maintained with Standard Chartered Bank Singapore.

SEE ALSO: Lucrum 1 Investment makes pre-conditional offer for Cityneon shares

The deposit sum of US\$17 million will be refunded to Lucrum in the event that the requisite approval of the shareholders of Star Media Group Berhad is not obtained.

Star Media told Bursa Malaysia the previous Friday that it had received a notification from Singapore law firm Bird & Bird ATMD LLP about the latter's client's interest in Cityneon.

Listed in 2005, Cityneon, a creative agency specialising in interior architecture, experiential environments events and exhibitions, contributed less than 10 per cent of Star Media's profit before tax in FY16.

The proposed disposal will enable Star Media to "unlock its investment in Cityneon at a price-to-book ratio of 3.18 times" and will allow the group "to concentrate on the expansion of its primary business activities", the media group said.

It added that the cash proceeds from the proposed disposal will improve its cash reserves, allowing it to support existing businesses and working capital requirements.

Star Media's core business lies within the print and digital segment and its board has been ramping up efforts to expand into new digital media products.

"For instance, Star Media has ventured into and just launched a new home-grown Asian content focused subscription video-on-demand (SVOD) service via the introduction of dimsum platform in the fourth quarter of 2016.

"With the successful launching of the dimsum SVOD service, the board believes that there is potential arising from this business segment and with the continuous efforts in the expansion of this business segment, barring any unforeseen circumstances, it would further enhance the overall earnings contribution to the Star Media Group in the medium to long run," it said.

Lucrum's shareholders are Massive Right Investments Limited, a company incorporated in the British Virgin Islands; Philadelphia Investments Ltd, a company incorporated in the British Virgin Islands; and Mutual Power International Limited, a company incorporated in Hong Kong. They respectively own 76 per cent, 15.5 per cent and 8.5 per cent of Lucrum.

Philadelphia Investments is a special purpose vehicle held solely by Ron Tan Aik Ti, who is a director and shareholder of Cityneon. He holds a stake of about 16.4 per cent in Cityneon.

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## Lucrum 1 Investment makes pre-conditional offer for Cityneon shares

SINGAPORE-LISTED Cityneon Holdings Ltd says Lucrum 1 Investment Ltd has made a pre-conditional mandatory general offer for all the shares of the former that are not already bought.

This comes as Lucrum, an investment holding company incorporated in the British Virgin Islands, on Friday entered into a conditional share purchase agreement with Laviani Pte Ltd, where the latter will sell 128.5 million shares or its 52.51 per cent stake in Cityneon for S\$0.90 apiece, in a deal valued at S\$115.6 million.

Lucrum's pre-conditional mandatory offer will not be made if the pre-condition is not fulfilled on or before Oct 31 this year, Cityneon said in a filing to the Singapore Exchange on Friday.

Media : The Star Media  
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 Page/s : <http://www.thestar.com.my/business/business-news/2017/05/12/star-media-group-sells-cityneon-for-rm360m/>

## Star Media Group sells Cityneon for RM360m

Cityneon, through unit Victory Hill Exhibitions Pte Ltd, has the rights to hold the successful Marvel Avengers STATION interactive exhibition



KUALA LUMPUR: **Star Media Group Bhd** is selling its 52.51% stake in Cityneon Holdings Ltd for S\$115.61mil or RM360.18mil cash, a transaction that is valued at almost 33 times the earnings of the Singapore listed events and exhibition company.

According to an announcement on Bursa Malaysia on Friday, the buyer Lucrum 1 Investment Ltd and Star Media Group arrived at the price on a willing-buyer willing seller basis, after taking into consideration the latest audited net asset of Cityneon for the FY ended Dec 31, 2016 of S\$69.29mil or net asset per Cityneon share of 28.32 cents.

The disposal would allow Star Media Group to realise a gain on disposal of about RM214.07mil.

For the financial year ended Dec 31, 2016, Cityneon recorded a profit after tax after minority interest of S\$6.68million or an earnings per Cityneon share of 2.73 cents.

“Based on the earnings of Cityneon for the financial year ended December 2016, the disposal represents an implied price-to-earnings ratio (PER) of approximately 32.97 times,” it said.

It said the proposed disposal allows Star Media to unlock its investment in Cityneon at a price-to-book ratio (PBR) of 3.18 times and enables it to concentrate on the expansion of its primary business activities.

It said the gain on disposal would improve its cash reserves which will allow it to support its existing businesses and working capital requirements.

Cityneon, a full service ideas agency, has five business segments – events, exhibitions, experiential environment, interior architecture, and intellectual property rights (IPR).

The IPR segment was created through the acquisition of immersive attractions company Victory Hill Exhibitions Pte Ltd in 2015, which has the rights to hold the successful Marvel Avengers S.T.A.T.I.O.N interactive exhibition.

Media : The Edge MY  
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Section : Companies & Markets  
Page/s : <http://www.theedgemarkets.com/article/star-media-signs-deal-sell-cityneon-stake-s1156-mil>

## Star Media signs deal to sell Cityneon stake for S\$115.6 mil

KUALA LUMPUR (May 12): Star Media Group Bhd has inked a deal to sell its 128.46 million shares or a 52.51% stake in Singapore-listed Cityneon Holdings Ltd for S\$115.61 million (RM360.18 million) or 90 cent per share.

In a filing with the Singapore Stock Exchange today, Cityneon said Star Media's wholly-owned subsidiary Laviani Pte Ltd has entered into a conditional share purchase agreement with a special purpose vehicle (SPV) called Lucrum 1 Investment Ltd for the disposal.

This confirms a report by theedgemarkets.com earlier yesterday that Star Media's board of directors had given their approval for the disposal.

Lucrum 1 is 76%-owned by Massive Right Investments Ltd, 15.5%-owned by Philadelphia Investments Ltd and 8.5%-owned by Mutual Power International Ltd.

Massive Right is a British Virgin Islands (BVI) company owned by Geng Zhihua, who founded the company to invest in high growth potential companies.

Philadelphia Investments is a BVI incorporated SPV wholly-owned by Ron Tan Aik Ti, who is also a director and shareholder in Cityneon, holding a 16.4% stake in the latter.

Mutual Power International Ltd is a SPV held solely by Jumpwide Ltd, a wholly-owned subsidiary of Hong Kong-listed Jin Bao Bao Holdings Ltd.

Jin Bao Bao is engaged in design, manufacture and sale of packaging products and structural components in China. It is also involved in provision of corporate secretarial, consultancy services and property investment.

Cityneon said the rationale of this management buy-out exercise will enable Tan to more effectively influence the strategy, expansion and future direction of the company.

In a separate filing with Bursa Malaysia today, Star Media said its original cost of investment in Cityneon was S\$46.94 million (RM120.27 million).

The disposal will result in a gain of S\$68.71 million or RM214.07 million for Star Media.

Star Media said the proposed disposal allows it to unlock its investment in Cityneon and enables it to concentrate on the expansion of its primary business activities.

The group also said profit before tax (PBT) contributions by Cityneon over the past two financial years were less than 10% of Star Media's total PBT. Cityneon owns the exclusive global intellectual property rights to Avengers Station and Transformers Experience in Singapore.

Subsequent to the disposal, Star Media plans to utilise RM359.6 million of the disposal proceeds for future investments and general working capital within 24 months, and the remaining RM585,000 for the expenses incurred for the disposal.

The disposal requires approval from Star Media's shareholders via an extraordinary general meeting. It expects the disposal to be completed by the third quarter of this year.

Star Media shares fell two sen or 0.79% to close at RM2.50 today, giving it a market capitalisation of RM1.82 billion.

Media : New Straits Times  
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Section : Business  
Page/s : <https://www.nst.com.my/business/2017/05/238643/star-sells-stake-singapores-cityneon>

## Star sells stake in Singapore's Cityneon

- **In its filing to Bursa Malaysia today, Star said its wholly-owned subsidiary Laviani Pte Ltd has entered into a conditional share purchase agreement with a special purpose vehicle (SPV) called Lucrum 1 Investment Ltd for the sale.**

KUALA LUMPUR: Star Media Group Bhd is selling its 52.51 per cent stake in Singapore-listed Cityneon Holdings Ltd for S\$115.61 million.

Cityneon owns the exclusive global intellectual property rights to Avengers Station and Transformers Experience in Singapore.

In its filing to Bursa Malaysia today, Star said its wholly-owned subsidiary Laviani Pte Ltd has entered into a conditional share purchase agreement with a special purpose vehicle (SPV) called Lucrum 1 Investment Ltd for the sale.

“Based on the earnings of Cityneon for the financial year ended December 2016, the disposal represents an implied price-to-earnings ratio of 32.97 times,” Star said.

Star Media plans to use some of the RM359.6 million for working capital in two years, and the remaining RM585,000 for the expenses incurred for the disposal.

Media : The Star  
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Page/s : <http://www.thestar.com.my/business/business-news/2017/05/13/marvelous-returns-for-star-media/>

## ‘Marvel-ous’ returns for Star Media

Good investment: The Star Media Group, via Cityneon Holdings Ltd, has the rights to operate, market and promote Marvel exhibits. The photo shows a graphic novel featuring one of Marvel Comics’ more popular characters, Spider-Man.

[STAR Media Group Bhd](#) is poised to pocket “Marvel-ous” returns from its investment in Cityneon Holdings Ltd, which ventured into the virtual reality exhibition world that includes iconic characters from Marvel and the Transformers series.

Star Media Group is proposing to sell its 52.5% stake in Cityneon to buyer Lucrum 1 Investment Ltd, a special-purpose vehicle, for S\$115.61mil (RM360.18mil) in a transaction that values the Singapore-listed company at almost 33 times its earnings last year.

In an announcement, yesterday, Star Media Group stated that it would gain RM214.07mil from the disposal of the stake, and that the price was agreed upon on a willing buyer-willing seller basis after taking into consideration the audited net assets of Cityneon for the financial year ended Dec 31, 2016.

Cityneon’s net asset for the period was S\$69.3mil (RM215.9mil) or S\$0.28 (RM0.88) per share. The transaction is based on a price-to-book ratio of 3.18 times.

The offer price of S\$115.61mil translates to S\$0.90 per Cityneon share, which is a 6.25% discount based on the closing price on May 5, prior to the deal.

However, the offer price is a premium of 1.12% and 3.45%, respectively, based on Cityneon’s one-month and three-month volume-weighted average price.

Among the shareholders of Lucrum is Ron Tan, who is also the executive director and group chief executive officer of Cityneon. He owns 15.5% of Lucrum, with the shares held via Philadelphia Investments Ltd.

Lucrum’s other substantial shareholders are Geng Zhihua, a China national, who owns a 76% stake held through Massive Right Investments Ltd, and Mutual Power International Ltd, which owns the remaining 8.5%.

Star Media Group said the proposed disposal would allow it to unlock its investment in Cityneon and enable it to concentrate on the expansion of its primary business activities.

“The proposed disposal would improve its cash reserves, which will allow Star Media Group to support its existing businesses and working capital requirements,” it said. Based on the latest results, Star Media Group is sitting on a cash pile of RM492.1mil. The proposed divestment is subject to shareholders’ approval.

Subsequent to the disposal, Star Media Group said it plans to utilise RM359.6mil for future investments and general working capital within 24 months, and the remaining RM585,000 for the expenses incurred for the disposal. Star Media Group first made its entry into Cityneon in 2008 for RM83.7mil. Subsequently, the investments increased to RM120.27mil.

For the past two years, Cityneon’s profit before tax contribution to Star Media Group was less than 10%. In addition, there was only one financial year where Cityneon declared a dividend over the last five years up to December 2016.

“Premised on the foregoing, the board views that the proposed disposal is in the best interest of the company,” it said.

Cityneon was largely a company that provided services for a wide range of exhibitions.

Two years ago, Cityneon entered the virtual reality exhibition space by acquiring United States-based Victory Hill Exhibitions Pte Ltd. Following the acquisition, Cityneon had the rights to feature characters from the Marvel series such as Iron Man, Spider-Man, Captain America and The Incredible Hulk. Last year, Cityneon acquired the rights to exhibit characters from the Transformers series. The acquisitions changed the face of Cityneon from being merely a traditional provider of exhibition services to a company that had intellectual property rights for Avengers S.T.A.T.I.O.N (Scientific Training and Tactical Intelligence Operative Network).

There are moving exhibitions and permanent exhibitions in Singapore, Paris and Las Vegas. In 2016, Cityneon saw its profit grow more than seven times to RM20.81mil from RM2.71mil a year earlier. Its share price has gone up significantly since September 2015 from S\$0.17 to S\$0.96.

Media : Lianhe Zaobao  
Date : 13 May 2017  
Section : Cai Jin  
Page/s : <http://www.zaobao.com.sg/zfinance/realtime/story20170515-760347>

MEDIA MONITORING – Cityneon Holdings

(联合早报网讯) 美国股市上周五收盘下跌，道琼斯工业指数收低 0.11%，纳斯达克指数微升 0.09%，标准普尔指数则滑落 0.15%。

本地股市过去一周在银行股涨势推动下上扬 0.79%，新加坡海峡时报指数上周五收报 3255.29 点。

今天股市开盘后值得关注的股票如下：

5. 城贸控股 (Cityneon Holdings) 接获控股股东 Laviani 私人有限公司通知，已和投资控股公司 Lucrum 1 投资 (Lucrum 1 Investment) 签署有条件的买卖协议，以每股 0.90 元脱售 1 亿 2846 万股，等于公司的 52.51% 股权。城贸控股昨天暂停交易。

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Page/s : <http://www.theedgemarkets.com.sg/cityneon-receives-90-cents-share-pre-conditional-offer-lucrum-1>

## Cityneon receives 90 cents per share pre-conditional offer from Lucrum 1

SINGAPORE (May 12): Cityneon Holdings, the exhibitions and events group, has received a pre-conditional mandatory offer from Lucrum 1 Investment to buy over all the shares it does not own at 90 cents each.

Shares of Cityneon were trading at 95.5 cents before a halt was called on May 5.

The offer was triggered after Lucrum, special purpose vehicle set up for the acquisition, entered into a share purchase agreement to acquire a 52.51% stake in Cityneon from vendor Laviani, a wholly-owned subsidiary of Bursa Malaysia-listed Star Media Group.

Lucrum's pre-conditional mandatory offer will not be made if the pre-condition is not fulfilled on or before Oct 31, Cityneon said in a separate filing.

Lucrum's shareholders are Massive Right Investments, Philadelphia Investments and Mutual Power International which own stakes of 76%, 15.5% and 8.5% respectively in the offeror.

Massive Right Investments is an investment holding company whose sole shareholder is investor Geng Zhihua. Mutual Power International is a subsidiary of Hongkong-listed Jin Bao Bao Holdings. Philadelphia Investments is held by Ron Tan Aik Ti a director and 16.4% shareholder of Cityneon.

Through the acquisition, Tan, with the support of the financial investors, will be able to more effectively influence the strategy, expansion and future direction of the company.

The offeror plans to maintain the listing status of the company. However, if the public float falls below 10% and the shares are suspended, the offeror reserves the right to re-evaluate its position.

Media : The Edge  
Date : 15 May 2017  
Section : The Call  
Page/s : <http://www.theedgemarkets.com.sg/cityneon-set-shine-brighter-new-investors-and-full-control-ceo-ron-tan>

## Cityneon set to shine brighter with new investors and full control for CEO Ron Tan

SINGAPORE (May 15): DBS is maintaining its “buy” call on Cityneon with a target price of \$1.26 with the possibility of new shareholders coming in to help the events and exhibitions organiser pursue growth, including acquisition of a third Intellectual Property (IP) rights.

Last Friday, Cityneon’s controlling shareholder, Star Media Group, announced it has entered into a conditional sale and purchase agreement with Lucrum 1 Investment, a special-purpose vehicle, to dispose of its entire 52.51% stake in Cityneon for \$115.6 million in cash.

(See also: Cityneon receives 90 cents per share pre-conditional offer from Lucrum 1)

Upon completion of the acquisition, Lucrum 1 Investment is obliged to make a mandatory general cash offer for the remaining shares not already owned at 90 cents each. The offer price is at a 5.76% discount to the last trading price of 95.5 cents on May 5.

The shareholders of Lucrum 1 Investment are investors Massive Right Investments, Mutual Power International and Philadelphia Investments which is owned by Ron Tan, Cityneon’s Group CEO and Executive Director.

In a Monday report, analyst Ling Lee Keng says the disposal allows Star Media to unlock its investment in Cityneon, with a disposal gain of \$68.7 million.

More importantly, CEO Tan would be able to more effectively influence the strategy, expansion and future direction of Cityneon.

With the support of the new investors, Cityneon will be able to pursue its growth strategy, including acquisition of a third IP rights and expanding its regional footprint for exhibition sets.

“We continue to expect Cityneon to register explosive FY16-FY19F EPS CAGR growth of c.150%, based on its existing two IP rights,” says Ling.

Shares of Cityneon are down 6 cents at 90 cents.