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## Cityneon's FY16 earnings rise more than sevenfold to S\$6.7 mil

By Michelle Zhu / theedgemarkets.com.sg | February 23, 2017 : 11:28 AM MYT

SINGAPORE (Feb 23): Cityneon Holdings reported record FY16 earnings of S\$6.7 million, more than seven times of the S\$0.9 million declared in FY15.

Revenue for the year, however, remained largely flat at S\$96.8 million as compared to S\$96.5 million in FY15. The overall growth was largely to profit contributions from Cityneon's IPR segment, Victory Hill Exhibitions (VHE) which the group recently acquired in Sept 2015.

VHE contributed 18% of total revenue in FY16 as well as a significant 90% of FY16's total net profit after tax, while revenue from IPR was mainly generated from both the travelling and permanent exhibitions.

This led to a 43% surge in gross profit to S\$33.3 million in FY16 from S\$23.3 million a year ago, primarily due to higher gross profit margins of 77.5% contribution by the IPR segment, such that the group's gross profit margins improved to 34.4% in FY16 from 24.1% in FY15.

Correspondingly, marketing and distribution expenses increased by approximately S\$0.5 million in FY16, with costs incurred by IPR in promoting its business.

Other operating income more than doubled to S\$1.8 million from S\$0.7 million, mainly due to higher trade payable written back in addition to government grants obtained in FY16.

The group's administrative and other operating expenses increased by S\$2.4 million to S\$24 million in the year under review, from S\$21.6 million in FY15. This was mainly due to higher depreciation of property, plant and equipment.

As at Dec 31, Cityneon's net asset value (NAV) stood at S\$69.3 million, translating to 28.3 Singapore cents per ordinary share and representing a 26% increase over FY15 NAV per share.

Earnings per share for FY16, too, increased by 300% on-year to 2.8 Singapore cents from FY15's 0.7 Singapore cents.

Despite noting a "stellar year of financial performances", Cityneon says it has 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".

Says Ron Tan, Cityneon's group CEO: "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. We hope to deliver an exciting year for all shareholders." Shares in Cityneon closed 0.6% higher at 89 Singapore cents on Wednesday.