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Cityneon's FY16 earnings rise more than sevenfold to \$6.7 million

By: Michelle Zhu
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SINGAPORE (Feb 23): Cityneon Holdings reported record FY16 earnings of \$6.7

million, more than seven times of the \$0.9 million declared in FY15.

Revenue for the year, however, remained largely flat at \$96.8 million as compared to \$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 \$33.3 million in FY16 from \$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 \$0.5 million in FY16, with costs incurred by IPR in promoting its business.

Other operating income more than doubled to \$1.8 million from \$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 \$2.4 million to \$24 million in the year under review, from \$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 \$69.3 million, translating to 28.3 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 cents from

FY15's 0.7 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 cents on Wednesday.

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