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## CHANGES AND INTERNAL RESTRUCTURING OF GROUP SUBSIDIARIES

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The Board of Directors (the “**Board**”) of Neo Group Limited (the “**Company**”), and together with its subsidiaries (the “**Group**”), wishes to announce the following:-

### Striking off of wholly-owned subsidiaries

Thong Siek Global Pte. Ltd. (“**TSG**”), a wholly-owned subsidiary of the Company, has submitted an application to the Accounting and Corporate Regulatory Authority (“**ACRA**”) for the proposed striking off of TSF Engineering Pte. Ltd. (“**TSFE**”), a wholly-owned subsidiary of TSG. The said application has been approved by ACRA on 6 July 2020. TSFE has ceased its operation since 2018.

The striking off of TSFE is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 March 2021.

### Establishment of wholly-owned subsidiaries

The Company has established two wholly-owned subsidiaries on 12 February 2020 to support the future business growth of the Group. Details of the wholly-owned subsidiaries are as follows:-

Name : Kryston F&B Pte. Ltd.  
Country of incorporation : Republic of Singapore  
Principal activity : Manufacture of cooked-food preparations as well as food caterers.  
Issued and paid-up capital : S\$50,000.00 comprising 50,000 ordinary shares

Name : ERs Food Pte. Ltd.  
Country of incorporation : Republic of Singapore  
Principal activity : Wholesale trade of a variety of goods without a dominant product as well as processing and preserving of meat and meat products.  
Issued and paid-up capital : S\$1.00 comprising 80 ordinary shares

The establishment of the above wholly-owned subsidiaries were funded internally and are not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 March 2021.

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in these transactions contemplated herein.

**Acquisition of additional shares and increase in share capital of Hi-Q Global Sdn. Bhd.**

The Company has acquired an additional 63,240 ordinary shares of Hi-Q Global Sdn. Bhd. (“**Hi-Q**”) (“**Hi-Q Sale Shares**”) representing 7.8% equity interest in Hi-Q, from Mr. Lee Kok Kien for a total cash consideration of S\$41,468.85 (equivalent to MYR126,480.00) on 7 July 2020 (“**Hi-Q Acquisition**”). The consideration of S\$41,468.85 was arrived at on a willing-buyer and willing-seller basis, taking into consideration the unaudited net tangible assets attributable to the Hi-Q Sale Shares.

The Company holds 51.0% of the issued share capital of Hi-Q prior to Hi-Q Acquisition. Hi-Q Acquisition resulted in the Company increasing its equity interest in Hi-Q from 51.0% to 58.8%, thereby making Hi-Q a 58.8%-owned subsidiary of the Company. The Hi-Q Acquisition has been funded through internal resources.

Subsequently, Hi-Q has increased its issued and paid-up share capital from S\$641,161 (equivalent to MYR2,002,859) to S\$771,504 (equivalent to MYR2,402,859) on 9 July 2020, by way of the issue and allotment of (i) an additional 235,000 ordinary shares to the Company for a total consideration of S\$76,537 (equivalent to MYR235,000); and (ii) an additional 165,000 ordinary shares to Mr. Liew Chek Leong for a total consideration of S\$53,806 (equivalent to MYR165,000) (“**Hi-Q Share Increase**”).

The consideration for Hi-Q Share Increase was arrived at on a willing-buyer and willing-seller basis, taking into consideration the unaudited net tangible assets and potential funding requirements of Hi-Q. Accordingly, the Company’s equity interest in Hi-Q remains unchanged at 58.8%.

The Hi-Q Acquisition and Hi-Q Share Increase are not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 March 2021.

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in these transactions contemplated herein.

**Acquisition of additional shares in U-Market Place Enterprise Pte. Ltd.**

The Company has acquired an additional 500,000 ordinary shares of U-Market Place Enterprise Pte. Ltd. (“**UM**”) (“**UM Sale Shares**”) representing 25.0% equity interest in UM, from Mr. Oh Beng Soon and Ms. Oh Geok Cheng for a total cash consideration of S\$2.00 on 28 February 2020 (“**UM Acquisition**”). The consideration of S\$2.00 was arrived at on a willing-buyer and willing-seller basis, taking into consideration the unaudited net tangible assets attributable to the UM Sale Shares.

The Company holds 75.0% of the issued share capital of UM prior to UM Acquisition. UM Acquisition resulted in the Company increasing its equity interest in UM from 75.0% to 100.0%, thereby making UM a wholly-owned subsidiary of the Company. This allows the Company to have full control over the operation and corporate direction of UM.

The UM Acquisition is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 March 2021.

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in this transaction contemplated herein.

#### **Increase in share capital of ERs Food Pte. Ltd. and transfer of frozen meat business**

ERs Food Pte. Ltd. (“ERs”) has increased its issued and paid-up share capital from S\$1.00 to S\$250,001.00 on 16 April 2020, by way of the issue and allotment of an additional 10 ordinary shares to Mr. Tan Zhi Qiang, Alvin for a total consideration of S\$250,000.00 by way of cash injection into ERs.

The consideration of S\$250,000.00 for the share issuance and allotment was arrived at on a willing-buyer and willing-seller basis, taking into consideration the unaudited net tangible assets and potential funding requirements of ERs. Accordingly, the Company’s equity interest in ERs decreased from 100.0% to 88.9% as a result of the share issuance and allotment.

ERs will be taking over the frozen meat business of UM upon the internal restructuring of the Group’s businesses. Nonetheless, UM will be remained focus on its traditional rice dumpling business.

Save for their respective shareholdings in the Company, none of the directors, controlling shareholders or substantial shareholders of the Company, has any interest, whether directly or indirectly, in these transactions contemplated herein.

#### **Change of name of subsidiaries**

The Company’s wholly-owned subsidiaries, UM and G&C Food Investment Pte. Ltd., had changed their name to Straits Culture Pte Ltd and NeoMart Pte Ltd on 31 March 2020 and 15 May 2020 respectively.

#### **ON BEHALF OF THE BOARD**

Neo Kah Kiat  
Chairman and Chief Executive Officer  
23 September 2020

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “Sponsor”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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