

Neo Group acquires earnings accretive How's Catering for S\$4.4 million

- Leveraging on How's Catering's reputable brand and established corporate clientele, the Group will expand its customer base and offerings, strengthening its market-leading position in Singapore
- Tapping on Neo Group's extensive procurement and logistics network, this synergistic merger will allow the Group to reap cost benefits and yield additional operational efficiencies
- Strategic partnership with How's Catering's team of experienced managers provides the impetus for the Group to grow its core Food Catering segment via its multi-brand strategy

SINGAPORE, 10 September 2018 – Neo Group Limited ("Neo Group", 梁苑集团有限公司, or together with its subsidiaries, the "Group") announced today the acquisition of Ye Liang How Catering Service Pte Ltd ("How's Catering"). This earnings accretive acquisition with an aggregate consideration of approximately S\$4.4 million will see the Group taking a 51.0% stake in How's Catering, while existing owners retain the remaining 49.0%.

With roots that trace back to 1991, How's Catering has risen to become one of the more renowned food caterers in Singapore that focuses on serving corporate clientele. Apart from corporate customers, How's Catering's other offerings include catering for thematic and festive events, weddings as well as healthier-choice gourmet spreads.



The acquisition will be funded by a combination of cash amounting approximately S\$3.6 million and the issuance of 877,193 new shares at S\$0.57 per share. Additionally, an earn out consideration of approximately S\$0.3 million will



be payable, provided How's Catering's aggregate consolidated net profit before tax for the financial period from 1 April 2018 to 31 March 2019 ("FP2019"), financial year ended 31 March 2020 ("NFY2020") and financial year ended 31 March 2021 ("NFY2021") is more than S\$4.0 million.

Commenting on the Group's latest acquisition, **Mr. Neo Kah Kiat, Founder, Chairman and CEO of Neo Group Limited**, said:

"Leveraging on How's Catering's established corporate clientele, this acquisition allows us to expand our customer base as well as promote cross-selling opportunities. Furthermore, our extensive procurement and logistics network should yield a number of operational synergies and drive positive impact to our financial performance. As our Food Catering business remains the main growth driver, we are confident that the expertise and track record of How's Catering's experienced management team should propel us to strengthen our current suite of catering brands. This will also enable us to build a steady platform to pursue inorganic opportunities for Food Catering as well as our other business segments in the future. With that said, we will continue to adopt a prudent and disciplined approach when prospecting for potential targets with the objective of driving bottom-line growth."

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Note: This press release is to be read in conjunction with the announcement released by Neo Group Limited on SGXNET on 10 September 2018.





About Neo Group Limited

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Neo Group Limited is an integrated food solutions provider in Singapore. Established since 1992, the Group possesses an award-winning track record and is one of the most recognised brand names locally, most famous for its flagship Neo Garden Catering brand. The Group has been named the number one events caterer in Singapore and provides one-stop food and catering solutions.

The Group prides itself in providing convenience to customers through its vertically-integrated value chain via four main business segments in Food Catering, Food Retail, Food Manufacturing and Supplies & Trading. Through these synergistic opportunities, Neo Group is well placed to bring customers top value in delivering fresh and tasty meals conveniently.

The Group supplies a large variety of quality food and buffets appealing to various market segments through its strong portfolio of brands, including Neo Garden Catering, Orange Clove Catering, umisushi, DoDo fish balls, Joo Chiat Kim Choo traditional rice dumplings, amongst others. Its food retail network spans 26 outlets islandwide.

Through its subsidiaries, Neo Group has a trading network of 35 countries worldwide. Its operations are supported by the East and West central kitchens, manufacturing facilities, warehouses and over 1,400 dedicated employees.

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This news release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this news release.

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

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