

PRESS RELEASE

Neo Group, Singapore's number one events caterer¹, reports 12.0% rise in revenue in 1HY2013

- *Driven mainly by growth in Food Retail Business with majority of its 17 "Umisushi" food retail outlets recording improved sales*
 - *The "Umisushi" brand turns profitable in 1HY2013*
- *Declares interim cash dividend of 0.49 Singapore cents per ordinary share for the period*

SINGAPORE – 14 September 2012 – Home-grown **Neo Group Limited** ("**Neo Group**" or together with its subsidiaries, the "**Group**") 梁苑集团有限公司, a leading food catering group with some of the most recognised brand names in Singapore, announced today that it achieved a 12.0% increase in revenue to S\$18.76 million for the six months ended 31 July 2012 ("1HY2013"), fuelled largely by its Food Retail Business with the "Umisushi" brand at the helm.

Despite its improved revenue, the Group posted a lower net profit attributable to equity holders of S\$0.70 million in 1HY2013 due to a one-time professional expense in conjunction with its recent Initial Public Offering amounting to S\$0.83 million.

During 1HY2013, save for Neo Group's new food retail outlets and the outlet at Pioneer MRT station, sales from all its other existing food retail outlets increased by approximately S\$0.77 million, or 25.6% compared to 1HY2012. With this, the "Umisushi" brand has swung into profitability. During the half year under review, the Group expanded its "Umisushi" food retail outlets to 17 from 14 outlets a year ago. Two "Umisushi" outlets, located at Alexandra Retail Centre and 67 Kallang Bahru, were launched which are in line with the Group's ongoing strategy for these convenience foods to be located in and around MRT stations and shopping malls with high human traffic.

The Group's Food Catering Business achieved a 2.6% increase in sales equivalent to S\$0.33 million in 1HY2013. The marginally slower growth in this segment was the result of seasonality factors as the Group did not enjoy the full Lunar New Year peak compared to 1HY2012.

The Group also continued to maintain a healthy balance sheet with a strong cash position of S\$10.30 million at half-time. Earnings per share of Neo Group stood at 0.49 cents in 1HY2013 compared to 1.09 cents a year ago. Net asset value per share of the Group improved to 10.9 cents as at 31 July 2012 from 7.1 cents as at 31 January 2012.

Commenting on the latest set of results, Founder, Chairman and CEO **Mr Neo Kah Kiat** 梁佳吉 said, "Traditionally, the second half of our financial year tends to outperform the first half as there are more festive occasions and events such as Christmas and New Year celebrations that will typically require our food catering services. Moreover, our "Umisushi" brand has performed commendably and, since 1HY2013, is generating a profit. We are, thus, excited about potential growth from this area."

Interim Dividend

The Board of Directors has declared an interim cash dividend of 0.49 Singapore cents per ordinary share for 1HY2013. This is in line with the Group's commitment to recommend and distribute dividends of not less than 60% of its net profits attributable to shareholders in each of FY2013, FY2014 and FY2015 (as set out in the Company's Initial Public Offering Offer Document dated 2 July 2012).

Mr Neo continued, "To thank our shareholders for their support and their confidence in Neo Group, we are pleased to declare an interim dividend that is equivalent to 100% of our first half net profit. As the Number 1 events caterer in Singapore, I have full confidence in the continued growth of Neo Group in the coming years."

Looking Ahead

The events catering industry¹ has evolved extensively over the last two decades. Fuelled by higher spending in both corporate catering² and social catering³, the industry saw a robust

As defined in the Report on "Events Catering Services in Singapore" dated April 2012 prepared by Euromonitor:

¹ Events catering: food catering services provided for social and corporate events only.

growth of 8.2% in 2010 and 13.2% in 2011. This industry also proved relatively recession-resistant in the financial crisis, contracting only 3.8% from 2008 to 2009 compared to 8.9% for its institutional counterpart⁴.

As such, Neo Group is of the view that the industry will continue to see a positive trend in the next half of 2012, and it will strive to grow its revenue for its Food Catering Business and Food Retail Business going forward. Despite continual expected cost pressures from higher employee salaries and benefits, food inflation, marketing and rental expenses, the Group remains committed to improving profitability by rationalising costs and improving operational efficiencies.

In the longer term, the Group also has exciting plans to expand and develop its Food Retail Business by increasing the number of "Umisushi" food retail outlets to 30 by 2016, and intends to strengthen its existing brands by intensifying marketing and advertising efforts as well as introducing new menus, innovative catering concepts and enhancing the F&B retail experience.

Ultimately, the Group plans to consolidate most of its business operations and increase its production capacity over the next three years commencing from the first quarter of 2013. Commented Mr Neo, "We are finalising the development plans for our new corporate headquarters at 30B Quality Road, and will make the necessary announcement to update our shareholders soon."

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² Corporate catering: a sub-category of events catering referring to catering that is provided at all places other than residences, including offices, club houses, churches etc; also includes government events.

³ Social catering: a sub-category of events catering referring to catering that is provided in all residential venues such as HDBs. Condominiums, landed properties etc; also includes wedding functions regardless of venue.

⁴ The information was based on the Report on "Events Catering Services in Singapore" dated April 2012 prepared by Euromonitor

About Neo Group Limited

Neo Group Limited's main businesses comprise the food catering and food retail businesses. In a report dated April 2012, the Group was ranked by Euromonitor International Limited ("Euromonitor") as the number one events caterer in Singapore with a 9.0% share of the S\$306.6 million events catering market⁵. Under its Food Catering Business, the Group supplies buffets through its "Neo Garden Catering", "Orange Clove" and "Deli Hub" brands. Its offerings, which reach out to a broad customer base, include daily meal delivery services, Halal-certified food and catering for last-minute events or emergency orders. Under its Food Retail Business, the Group currently operates a successful chain of 17 "Umisushi" food retail outlets offering Japanese convenience foods, mainly near MRT stations and in shopping malls with high human traffic. To support these operations, the Group has central kitchens in four locations in the eastern and western parts of Singapore. As part of its Food and Catering Supplies Business, the Group sources certain food ingredients and catering supplies directly from manufacturers and/or distributors, ensuring a timely supply of quality products to its food catering and food retail businesses. It also supplies food ingredients and Japanese food products to third parties.

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The document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The contact person for the Sponsor is Mr Benjamin Choy, Director, Corporate Finance. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.

⁵ Based on a report entitled "Events Catering Services Singapore" dated April 2012 prepared by Euromonitor International Limited. "Events catering" means food catering services provided for social or corporate events only.