





NEO GROUP 義美集團  
Neo Group Limited

## We Are The Number One Events Caterer in Singapore<sup>1</sup>

Leading Market Share in 2011 in Singapore

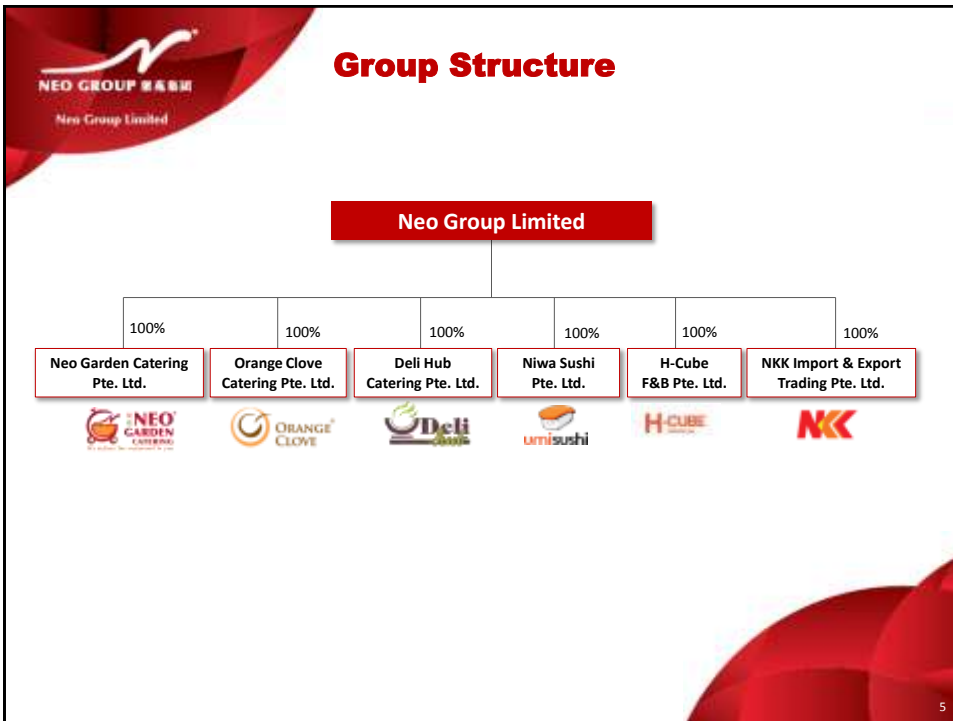
Category	Percentage
Neo Group	9.0%
#2 to #5	12.6%
Others	78.4%

Neo Group is **No. 1** Events Caterer<sup>2</sup>

- We can serve an average of 10,000 headcounts a day.
- We served **1.92 million headcounts** in FY2012, with a record of **800 events** or **23,000 headcounts** a day.

<sup>1</sup> Based on a report entitled, "Events Catering Services Singapore" dated April 2012 prepared by Euromonitor International Limited ("Euromonitor").  
<sup>2</sup> Events catering is defined as food catering services provided for social or corporate events only. All industrial and contractual types of catering ("institutional catering") were excluded from the research.

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Neo Group Limited

## Food Catering Business

Able to target a wide range of customers





Brands / Offerings			
Target audience	<ul style="list-style-type: none"> <li>Middle class</li> <li>The health conscious</li> <li>Families</li> <li>Corporations</li> </ul>	<ul style="list-style-type: none"> <li>Middle to upper class</li> <li>Corporations</li> </ul>	<ul style="list-style-type: none"> <li>Mass market</li> <li>Corporations</li> <li>Public sector institutions</li> </ul>
"Buffet Express" <sup>1</sup>	✓	✓	✓
Wide menu selection	✓	✓	✓
"Healthier Choice"	✓		
"Tingkat" <sup>2</sup>	✓		
Halal-certified		✓	✓
Value added services	✓	✓	

<sup>1</sup> A service for last minute events or emergency orders where, subject to capacity constraints, a full buffet for selected menus can be arranged within three hours (inclusive of delivery time) from confirmation of an order.

<sup>2</sup> A daily meal delivery or "tingkat" service from Mondays to Fridays to households which prefer the convenience and time-saving option of prepared meals delivered to their doorsteps.

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## Food Catering Business

Customises and Caters to a Wide Range of Events



Christmas



Yacht



Musical



Pirates



Halloween




Hawaiian




BBQ


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## Food Retail Business

Operates 17 "Umisushi" Food Retail Outlets






y-o-y sales  
↑ 26%

**Recent Openings:**

1. June: Alexandra Retail Centre
2. July: 67 Kallang Bahru



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## Food & Catering Supplies Business

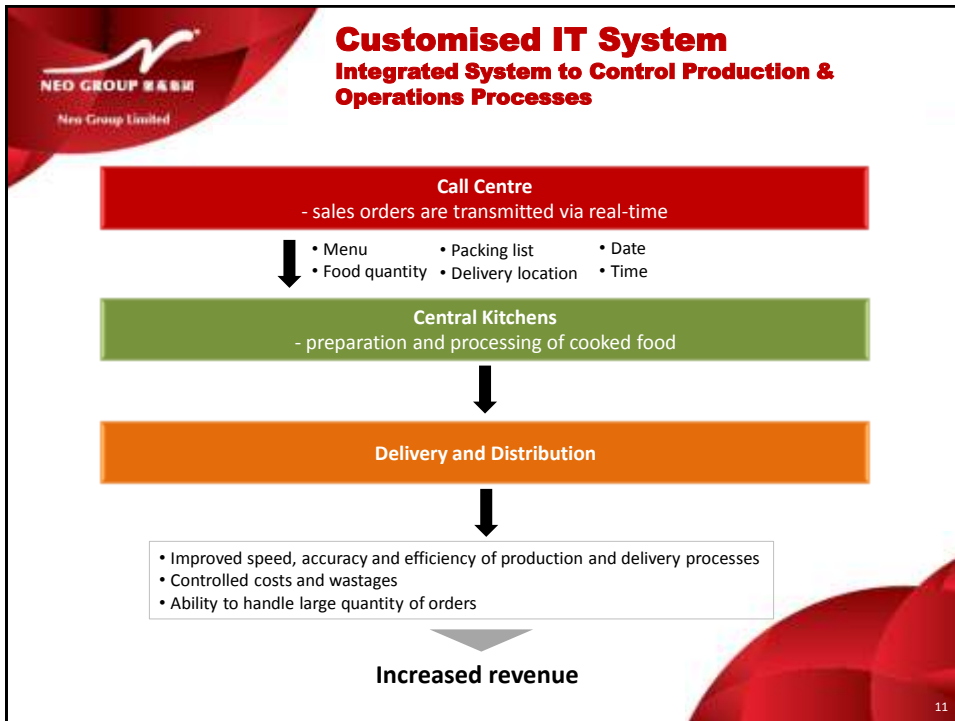
Ensures Timely Supply and Quality Food at Competitive Prices






- Source some of the food ingredients and catering supplies used in our Food Catering and Food Retail businesses directly from manufacturers and/or distributors
  - Timely supply of quality food
  - Better control over costs
  - Better pricing through bulk purchases
- Supplies food ingredients and Japanese food products to third parties

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### Well-equipped Central Kitchens

**4 Central Kitchens**      **>25,000 Square Feet**

<i>Eastern and western parts of Singapore</i>	6A Wan Lee Road* (2 sub-kitchens)	#05-03/04/05/06 Enterprise One*	3015 Bedok North Street 5, Shimei East Kitchen #06-07	#01-12 Jalan Tepong
<i>Built-in floor area (approx. in sq ft)</i>	12,346 (aggregate)	8,913 (aggregate)	3,014	2,573
<i>Brand</i>	 			

\*HACCP Certificate – Food Safety Management System  
Note: Sale and leaseback of #05-06 Enterprise One during the period (consideration of S\$1.1 m)

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## An Award-winning Company

Year	Award
2010	Spirit of Enterprise Award Honours 2010
2011	SME1 Asia Awards – Distinguished Award 2011 (Top 5)
2011	Singapore Prestige Brand Award (Established Brands)
2011	Singapore Prestige Brand Award (Most Popular Established Brand)
2011	2011 Successful Entrepreneur (Platinum Category)
2011	Singapore SME 1000 Company 2011
2011	Excellent Service Award 2011
2012	Top Entrepreneurs 2012 Entrepreneur of the Year for Enterprise















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## Strong Delivery Capability

# 113

  
vehicles\*

Fleet of delivery vehicles and an experienced delivery team ensuring timely delivery to all locations in Singapore




\* 87 of the 113 vehicles are sub-contract vehicles

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## Increasing Market Share Through Sales And Marketing

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## Strong Growth Opportunities in Food Catering Market

**Breakdown of total operating receipts of the F&B services industry in Singapore in 2010**

Category	Receipts (\$ million)	Percentage
Restaurants	\$2,406m	38.6%
Fast food outlets	\$803m	12.9%
Food caterers	\$711m	11.4%
Others	\$2,320m	37.2%

**2010:** Food caterers grew fastest with a growth rate of **13.1%** to S\$711 million in terms of total operating receipts in 2010, accounting for 11.4% of total operating receipts of the F&B services industry

**2011:** The food and beverage services index grew by 4.2 per cent, similar to the 4.5 per cent growth in 2010. Fast food outlets posted the highest growth rate of 7.8%, followed by **food caterers (7.1%)**, other eating places (4.3%) and restaurants (2.3%)

**Market Size of Catering Events**

Year	Market Size (\$ million)
2009	250.3
2010	270.9
2011	306.6
2012F	346.5
2013F	391.2
2014F	440.5

CAGR 11.3% (2009-2011), CAGR 12.9% (2011-2014F)

Events catering industry grew **13.2%** in 2011 to S\$306.6 million

Events catering industry **weathered the economic recession** in 2008-2009, as corporate catering seen as cost-efficient substitute for hotels and restaurants

High **disposable income** and changing **consumer lifestyles** drive social catering sales

Sources:

- Singapore Department of Statistics' Economic Surveys Series: Food and Beverages Services, Reference Year 2010 published in November 2011
- Euromonitor report, "Events Catering Services Singapore", dated April 2012
- Economic Survey of Singapore 2011: 8.4 Accommodation & Food Services published on 16 February 2012

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NEO GROUP 新基訊  
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# Key Achievements Since Our Listing







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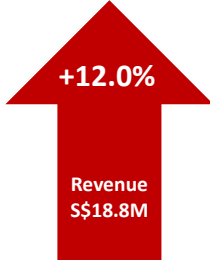
## Key Achievements

-  Improved revenue in 1HY2013
-  Umisushi is profitable
-  Further expansion through new food retail outlets
-  Industry recognition: Entrepreneur of the Year 2012

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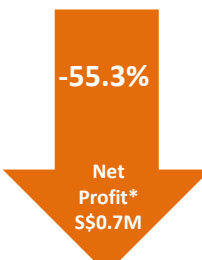


## Improved Revenue in 1HY2013



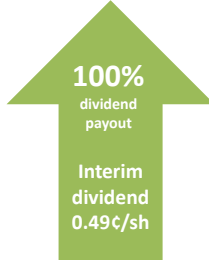
**+12.0%**

Revenue  
S\$18.8M



**-55.3%**

Net Profit\*  
S\$0.7M



**100%**  
dividend payout

Interim dividend  
0.49¢/sh

- After adjusting for one-time IPO expenses of S\$0.83M
- Enjoyed a full Lunar New Year peak in FY2012 totaling 9 days, as compared to this latest period
- Higher expenses incurred in tandem with our expansion:
  - Advertising & promotions
  - Rental
  - Utilities

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## Industry Recognition

*The Entrepreneur of the year*



### Catering to every taste

The desire to provide good quality buffets for different occasions inspired Mr. Neo Fan to start the Neo Group.



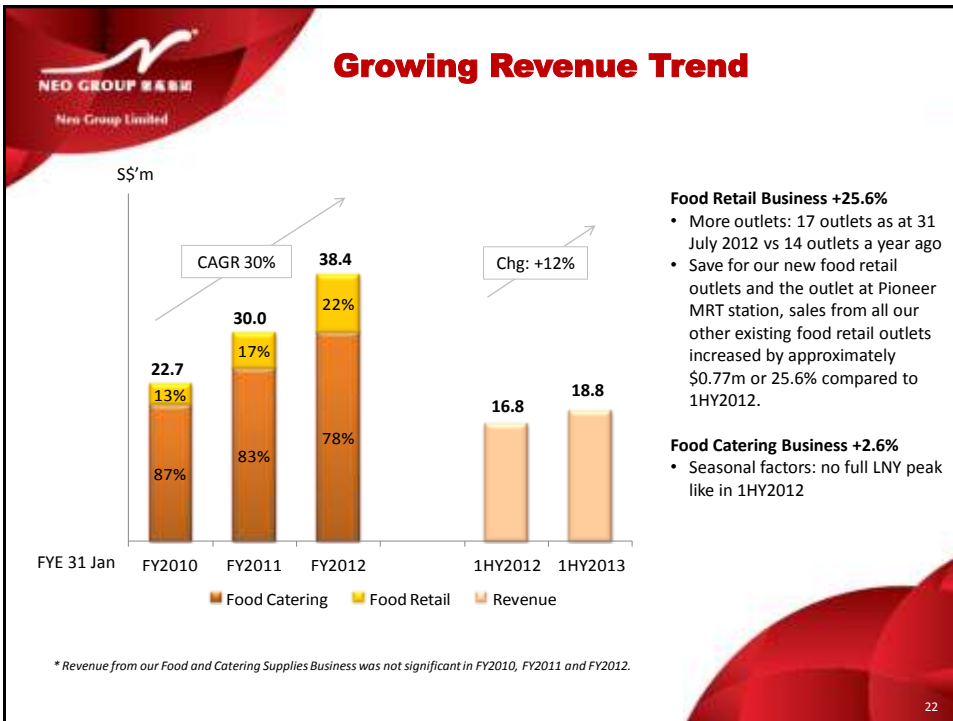


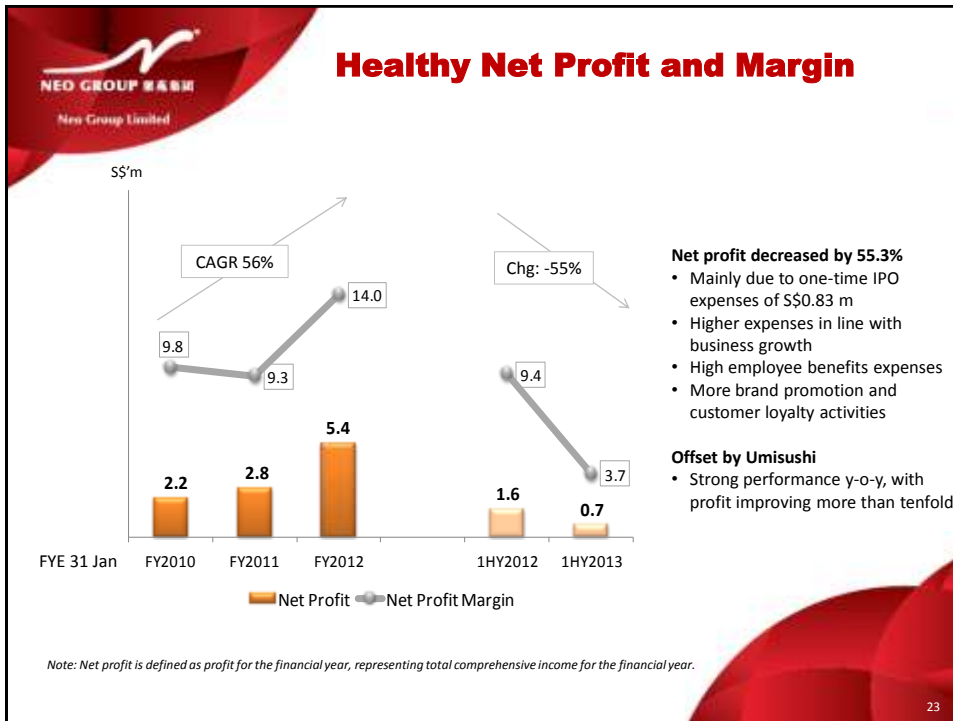
**让员工感觉上班是一种享受**

**Awarded:**

- Top Entrepreneurs 2012
- Entrepreneur of the Year for Enterprise

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## Strong Financial Position

NEO GROUP 新奥集团  
Neo Group Limited

Profitability Ratios	1HY2012	1HY2013
Earnings Per Share (cents)	NM <sup>(1)</sup>	0.49
Return On Assets (%)	11.7	2.3
Return On Equity (%)	20.5	4.5
Financial Position	@ 31 Jan 2012 (Audited)	@ 31 Jul 2012 (Unaudited)
Total assets (\$'m)	26.6	30.1
Total liabilities (\$'m)	16.3	14.4
Shareholders' equity (\$'m)	10.3	15.7
Debt ratio (%) (Total liabilities/total assets)	61.3	47.9
Net Asset Value Per Share (\$)	7.1	10.9
Cash Flow	1HY2012	1HY2013
Net cash from operating activities (\$'m)	0.8	1.2
Net cash from/(used in) investing activities (\$'m)	(1.2)	1.2
Net cash from/(used in) financing activities (\$'m)	(0.3)	4.4
Net change in cash and cash equivalents (\$'m)	(0.7)	6.8
Cash and cash equivalents at the beginning of period (\$'m)	0.8	3.4
Cash and cash equivalent at end of period (\$'m)	0.1	10.2
Efficiency Ratios	FY2012	1HY2013
Gross trade receivables turnover days <sup>(2)</sup>	15	11
Trade payables turnover days <sup>(3)</sup>	68	77

1) NM denotes not meaningful as the Company was only incorporated on 2 March 2012. As such, the Group was not in existence as at 31 July 2011.  
2) Gross trade receivables turnover days is computed by dividing 365 days and 180 days for FY2012 and 1HY2013 respectively by the gross trade receivables turnover ratio. The gross trade receivables turnover ratio is calculated by dividing annual sales by gross trade receivables.  
3) Trade payables turnover days is computed by dividing 365 days and 180 days for FY2012 and 1HY2013 respectively by the trade payables turnover ratio. The trade payables turnover ratio is calculated by dividing annual purchases by trade payables.

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## Interim Dividend

The Group's intention, as set out in its Initial Public Offering Offer Document dated 2 July 2012, is to recommend and distribute dividends of not less than 60% of our net profits attributable to our Shareholders in each of FY2013, FY2014 and FY2015

Interim Dividend  
For 1HY2013

**0.49 cts / share**

(1-tier tax-exempt)

Representing...


- 100% of net profit attributable to Shareholders in 1HY2013

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## Outlook and Plans






## Outlook over the next 6 months



- **Rising costs**
- Raw materials and consumable use
- Employee benefits expenses
- Rental expenses

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- **Anticipating busy outlook in 2HY2013 as a result of more upcoming celebrations in the pipeline**
  - Lunar 7<sup>th</sup> Month, Christmas, New Year
- **Finalising building plan for 30B Quality Road**
- **Exploring overseas expansion and potential M&A opportunities**
- **Developing new business concepts and new product lines**
  - Growing vehicle fleet and manpower capacity



Strategy: To improve profitability by **rationalising costs** and **improving operational efficiencies**



## Plans Going Forward

- Double capacity from 15,000 guests/day to 30,000 guests/day

**Consolidate operations;  
Expand capacity**

**Expand & develop food retail business**

- 30 Umisushi outlets by 2016

- Increase marketing and advertising efforts
- Increase brand awareness and customers' loyalty

**Strengthen existing brands**

**Introduce new concepts**

- Develop new menus, innovative catering concepts and F&B retail experience
- Institutional catering

**Acquisitions, JVs &/or strategic alliances**

- Complement current and future businesses
- Give access to new markets and customers
- Achieve greater economies of scale
- Provide an impetus for future growth

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Neo Group Limited

## Continuing to Strengthen Existing Brands



**NEO Privilege Card**

MORE PRIVILEGES.  
MORE LIFESTYLE CHOICES.

**Increased efforts in marketing and advertising and building customers' loyalty**

- Publishing and distributing of brochures **island-wide** in 1HFY2013
- Extended distribution coverage including **private estates**
- More **promotional activities** such as movie nights and corporate give-aways

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## Consolidating Operations And Expanding Production Capacity



**30B Quality Road**  
(Artist's impression)

**Latest Updates:**

- **Finalising building plan** to redevelop the property into a multi-storey building, in phases over the next three years, commencing 1Q of 2013

- Area: Approximately **122,150 sq ft**
- Streamlines operations, decreases transportation and logistical costs, increases efficiency and annual production capacity
- When fully operational, daily capacity is expected to cater to about **1,000 events** or **30,000 headcounts a day** compared to 15,000 headcounts a day currently

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## Update of use of IPO proceeds

Intended Use	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Amount Unutilised (S\$'000)
Expand and develop Food Catering and Food Retail Businesses (which may include acquisitions, JVs and/or strategic alliances)	5,000	-	5,000
IPO expenses	1,600	826	774
<b>Total</b>	<b>6,600</b>	<b>826</b>	<b>5,774</b>

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**NEO GROUP 新華集團**  
Neo Group Limited


## Experienced Management Team

**DIRECTORS**

- 1. Neo Kah Kiat** - Founder, Chairman and CEO
  - More than 20 years F&B industry experience
  - Responsible for the overall strategic and expansion plans, overall business development and general management
  - Successful Entrepreneur Award (Platinum Category) in 2011; Spirit of Enterprise Award 2010
- 2. Liew Oi Peng, Sally** - Executive Director
  - Assists Founder, Chairman and CEO
  - Oversees day-to-day operations
- 3. Lee Kwang Boon, Elvis** - Executive Director (Business Development)
  - Oversees the Group's marketing and brand development activities
- 4. Liew Choh Khing, Jeffrey** - Executive Director (Food Retail)
  - Oversees the business and sales development strategies of the Group's Food Retail Business


Supported by a team of qualified Executive Officers

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## Established Track Record Since 1992

**Neo Garden Restaurant** set up to provide buffet catering & home delivery meals from a shared kitchen (2,000 sq ft)



Start of food retail operations


Opened 1<sup>st</sup> **Umisushi\*** food retail outlet



Set up central kitchen at #01-12 Jalan Tepong to support Umisushi (2,573 sq ft)

Set up **NKK Import and Export** as supply arm for the Group


1992      2004      2007      2008      2010      2012



Set up office and central kitchen at 6A Wan Lee Road (built-in area of about 7,500 sq ft)

Started **Deli Hub** to provide Halal food catering

Invested in machinery & initiatives to develop modern methods to standardise production processes



Started **Orange Clove** to provide higher-end corporate & community functions; Set up central kitchen at Enterprise One


Set up **H-Cube** to process/ supply Japanese food products

Set up central kitchen at 3015 Bedok North Street 5, Shimei East Kitchen #06-07, to support Umisushi operations (3,000 sq ft)

Set up central kitchen at #05-03/04 Enterprise One to support Orange Clove operations

Listed on SGX-ST Catalist on 11 July 2012

\* Originally branded "Niwa Sushi" and subsequently rebranded to "Umisushi" in 2010



## Key Factors Fuelling Singapore's Catering Industry

**Positive Macro-Environment**

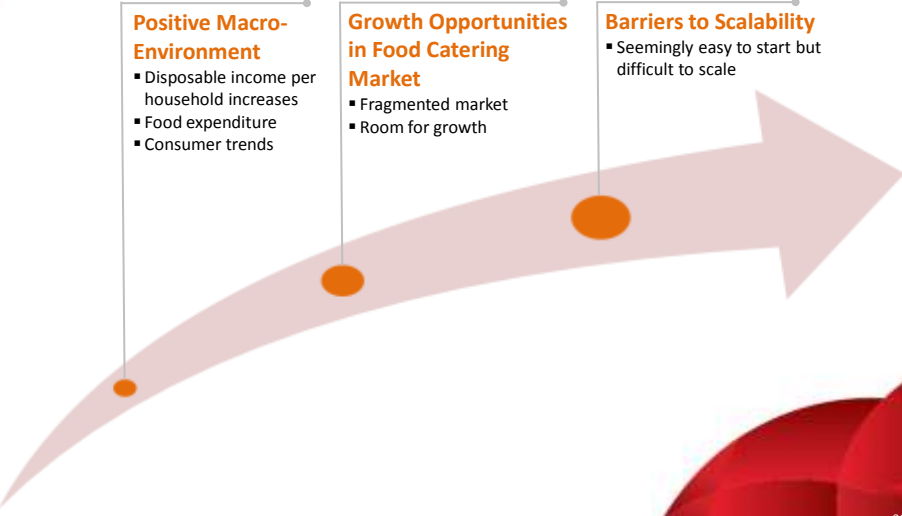
- Disposable income per household increases
- Food expenditure
- Consumer trends

**Growth Opportunities in Food Catering Market**


- Fragmented market
- Room for growth

**Barriers to Scalability**

- Seemingly easy to start but difficult to scale



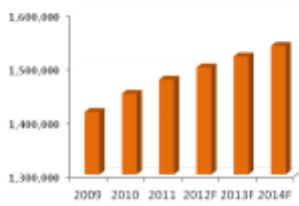
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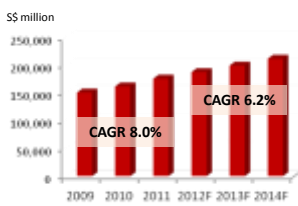
## Positive Macro-Environment

Growing number of households



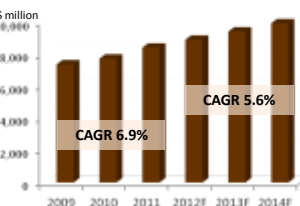
- Growth in household numbers was attributable to new family set-ups and an influx of foreigners migrating to Singapore for its political and economic stability

Growing annual disposable income



- Increase in **dual-income** families
- Growing **affluence** and **purchasing power**
- Busy pace** of modern living


Growing consumer expenditure on food



- More willing to **spend on food**
- Not as price-sensitive** as a decade ago

**More opportunities for food catering industry**  
**Increase in demand for convenience food**

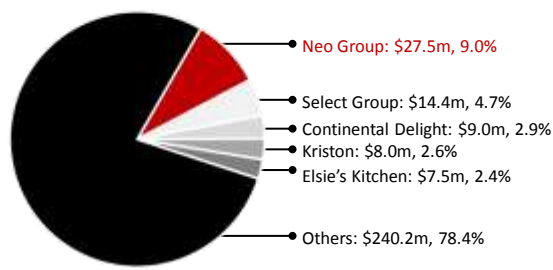
Source: Euromonitor report, "Events Catering Services Singapore", dated April 2012 37



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## Neo Group's Appetite for Growth

Estimated Market Shares – Events Catering, 2011



Challenges Faced By Smaller Caterers

- Large initial working capital
- Tighter foreign work quotas
- Expensive technology
- Existing competition
- Increasingly stringent NEA regulations
- Delicate balancing act

Fragmented Catering Market Provides M&A Opportunities

- About 350 caterers (including events and institutional caterers) as at end of 1Q2012, up from 304 as at end 2010
- Small players unable to weather the recession, some lasting as short as six months

Source: Euromonitor International report, "Events Catering Services Singapore", dated April 2012 38