

NEWS RELEASE

NEO GROUP EXTENDS VERTICAL INTEGRATION STRATEGY – ACQUIRES 90%-STAKE IN VEGETABLES AND FRUITS TRADER FOR S\$5.4 MILLION

Singapore, 3 November 2015 – Singapore’s leading food catering group, **Neo Group Limited** ("Neo Group", “梁苑集团有限公司”, or together with its subsidiaries, the "Group"), announced today that it has acquired a 90%-stake in CT Vegetables & Fruits Pte Ltd (“CT Vegetables”) for S\$5.4 million in line with its vertical integration strategy to provide turnkey food and catering solutions.

CT Vegetables was established over two decades ago and trades more than 300 varieties of fruits and vegetables to its wide customer base consisting of local hospitals, foreign cruise ships and ship chandlers. The acquisition will include two entities set up primarily for the purpose of importing fruits and vegetables (both entities and CT Vegetables are collectively referred to as the “CT Group”).

On the acquisition, Founder, Chairman and CEO of Neo Group, Mr Neo Kah Kiat (梁佳吉), PBM, said: “We are pleased to have further strengthened our integrated value chain further with the addition of CT Group, a strong market leader in its industry. Apart from the acquisition being immediately earnings accretive, we recognise synergies that can be reaped from this acquisition to grow our Food and Catering Supplies business that will allow us to lower food supply costs whilst ensuring quality and timeliness of delivery.

“At the same time, this strategic upstream move will reduce our reliance on third-party suppliers, enhancing our self-sufficiency in our catering and manufacturing businesses and enable us to pursue business opportunities from external parties, thereby creating new income streams.”

Of the total consideration of S\$5.4 million, S\$4.8 million will be paid in cash, funded by bank borrowings. The remaining S\$0.6 million will be satisfied through the issuance of new ordinary shares at a 10% discount to the volume weighted average price of the Group’s shares on the completion date.

The remaining 10%-stake in CT Vegetables will be retained by its original owner who will be the acting CEO and Chairman of CT Group under the leadership of Mr Neo as advisor.

“This acquisition is in line with our focused efforts to execute our clear growth strategy and solidify our market leadership as Singapore’s No. 1 events caterer¹, while driving margin efficiencies through our vertically-integrated value chain, much like our strategy when we acquired Thong Siek Group earlier this year. As we continue to grow organically, we remain on the lookout for such acquisition opportunities that are value-accretive to our businesses so as to accelerate growth and enhance shareholder value,” Mr Neo added.

The acquisition of CT Group shortly follows Neo Group’s first major acquisition of Thong Siek Group (“TSG”) since its listing in 2012 – it had acquired a 55%-stake in the parent company and manufacturer of the popular “DoDo” brand of fishballs for S\$7.35 million in June 2015.

¹ As defined in Euromonitor International report, “Events Catering Services in Singapore”, dated December 2014 whereby events catering refers to food catering services provided for social or corporate events only

Apart from creating new revenue streams, the landmark acquisition of TSG had allowed Neo Group to venture into Food Manufacturing that directly supplies surimi products to its Food Catering and Food Retail businesses. The Group can also leverage on TSG's expertise in manufacturing to automate its kitchen operations thereby enhancing productivity and efficiency; and TSG's global network across 22 countries to broaden its market reach.

Neo Group expects to commence consolidation of CT Group's financials from 1 November 2015 for the financial period ending 30 November 2015. None of the Directors or substantial shareholders of the Group has any interest, direct or indirect, in the above transaction.

About Neo Group Limited

Neo Group Limited is a leading food catering group in Singapore. Established since 1992, the Group possesses an award-winning track record and is one of the most recognised brand names in Singapore. The Group has been ranked as the number one events caterer in Singapore since 2010² and owns an integrated value chain to provide one-stop food and catering solutions.

The Group is involved in the Food Catering, Food Retail, Food Manufacturing and Food and Catering Supplies businesses, combining their synergistic qualities to bring customers top value in delivering fresh and tasty meals on time.

Under its Food Catering Business, the Group operates four brands – Neo Garden, Orange Clove, Deli Hub and Best Catering. All four brands supply buffets spanning a wide variety of styles and prices to suit a diverse range of occasions, from private, corporate to community functions. In addition, Best Catering offers daily meal delivery services to customers.

² As defined in Euromonitor International report, "Events Catering Services in Singapore", dated December 2014 whereby events catering refers to food catering services provided for social or corporate events only

For the Food Retail Business, the Group operates a chain of 24 umisushi outlets across Singapore and a licensed outlet in Jakarta, Indonesia, as of 31 March 2015. It serves a variety of high-quality and affordable Japanese food at convenient locations.

The Group also operates *issho izakaya*, a Japanese drinking and dining establishment and NANAMI UDON, which offers well-liked Japanese Tempura and Udon meals at great value and convenience. In 2014, the Group acquired two other brands – Choz and Fu Yuan. Choz provides traditional Chinese wedding cakes and full-month celebration cakes packages whilst Fu Yuan offers assorted *nonya kuehs* and traditional handmade snacks for every occasion.

The Group also operates a flowers and gifts business, I DO Flowers & Gifts, which supports buffet settings and provides flowers and gifts through an online platform for a variety of occasions, catering to a wide range of budgets.

Neo Group recently acquired a majority stake in Thong Siek Holdings – manufacturer, distributor and retailer of surimi-based seafood products and the popular “DoDo” brand of fishballs – accounted for under the Food Manufacturing business segment, which supplies its flagship products to the Group’s Food Catering and Food Retail businesses.

To support the logistical needs of its businesses, the Group's Food and Catering Supplies Business sources for ingredients and materials directly from manufacturers and distributors to ensure higher quality control within the Group, as well as timely deliveries. It also supplies ingredients and Japanese food products to third parties.

IMPORTANT NOTICE

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 relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this document.

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. Yee Chia Hsing, Head, Catalist. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.

ISSUED ON BEHALF OF	:	Neo Group Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 55 Market Street #02-01 SINGAPORE 048941
CONTACT	:	Ms Dolores Phua / Ms Amelia Lee at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9750-8237 / 9781-3518 (Handphone)
EMAIL	:	dolores.phua@citigatedrimage.com amelia.lee@citigatedrimage.com

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