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## EXECUTION OF BINDING TERM SHEETS IN RELATION TO PROPOSED ACQUISITIONS

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### **Proposed Acquisition of CT Vegetables & Fruits Pte Ltd**

1. The Board of Directors of Neo Group Limited (the “**Company**”) wishes to announce that the Company has entered into a legally binding term sheet (the “**CT Vegetables Term Sheet**”) with the existing shareholders of CT Vegetables & Fruits Pte Ltd (“**CT Vegetables**”) for the proposed acquisition of 90% (subject to paragraph 6 below) of the entire issued and paid-up share capital of CT Vegetables and its group of companies (the “**Proposed Acquisition of CT Vegetables**”).
2. Pursuant to the CT Vegetables Term Sheet, the purchase consideration has been agreed at S\$5.4 million.

### **About CT Vegetables**

3. CT Vegetables was established in 1991 and is involved in the trading of fruits and vegetables. CT Vegetables’ current range of fruits and vegetables stands at more than 300 different varieties and it has a wide customer base which includes various local hospitals, foreign cruise ships and ship chandlers.

### **Proposed Acquisition of AMAX Foods Pte. Ltd.**

4. Separately, the Company has also entered into a legally binding term sheet (the “**AMAX Term Sheet**”) with the existing shareholders of AMAX Foods Pte. Ltd (“**AMAX**”) for the proposed acquisition of 60% of the entire issued and paid-up share capital of AMAX (the “**Proposed Acquisition of AMAX**”).
5. Pursuant to the AMAX Term Sheet, the purchase consideration has been agreed at S\$1.5 million (the “**AMAX Purchase Consideration**”).
6. The completion of the Proposed Acquisition of AMAX is subject to the concurrent completion of the Proposed Acquisition of CT Vegetables described above. In full satisfaction of the AMAX Purchase Consideration, the Company will procure that 25% of the entire issued and paid-up share capital of CT Vegetables be transferred to the sellers (i.e. existing shareholders) of AMAX. The Company will then own 65% of CT Vegetables.
7. For the avoidance of doubt, the completion of the Proposed Acquisition of CT Vegetables is not conditional upon the completion of the Proposed Acquisition of AMAX.

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## **About AMAX**

8. AMAX was established in 2014 and is involved in the wholesale trading of frozen and chilled meats, as well as frozen poultry and lambs. It has a wide customer base which includes importers, wholesalers, food services providers and ship suppliers.

## **Due Diligence Exercises and Execution of Definitive Agreements**

9. Following the signing of the AMAX Term Sheet and the CT Vegetables Term Sheet (collectively, the “**Term Sheets**” and each, a “**Term Sheet**”), the Company will conduct its financial and legal due diligence investigations in connection with the Proposed Acquisition of AMAX and the Proposed Acquisition of CT Vegetables.
10. The Term Sheets are intended to be legally binding and the Company will work with the respective sellers towards finalizing and executing the sale and purchase agreements (collectively, the “**SPAs**” and each, a “**SPA**”) in relation to the Proposed Acquisition of AMAX and the Proposed Acquisition of CT Vegetables by no later than three weeks from the date of that Term Sheet (unless extended by mutual agreement of the respective parties). In the event that any SPA is not executed by the aforesaid deadline, that Term Sheet shall automatically lapse and cease to be in force and effect. The SPAs will be subject to other conditions precedent and customary terms and conditions.

## **General**

11. Save for their shareholdings in the Company, none of the directors and substantial shareholders of the Company has any interests, direct or indirect, in the Proposed Acquisition of AMAX or the Proposed Acquisition of CT Vegetables.
12. Shareholders are advised to exercise caution in trading their shares. The Proposed Acquisition of AMAX and the Proposed Acquisition of CT Vegetables will be subject to the execution of the respective sale and purchase agreements and the terms and conditions therein. There is no certainty or assurance as at the date of this announcement that no changes will be made to the terms of the Proposed Acquisition of AMAX or the Proposed Acquisition of CT Vegetables.
13. The Company will provide further details in subsequent announcements in accordance with the listing rules of the SGX-ST at the appropriate juncture.
14. **Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their professional advisors if they have any doubt about the actions they should take.**

MEMBERS OF NEO GROUP



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## BY ORDER OF THE BOARD

Neo Kah Kiat  
Chairman and Chief Executive Officer  
Neo Group Limited  
18 September 2015

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This announcement has 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 ("**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and 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.

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.

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