

## Financial Statement and Dividend Announcement For Half Year Ended 31 July 2013

### PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors of Neo Group Limited is pleased to announce the consolidated results of the Group for the half year ended 31 July 2013. The figures presented below have not been audited.

#### Consolidated Statement of Comprehensive Income

	Group		Increase / (Decrease)
	1H2014 <sup>1</sup> \$'000	1H2013 <sup>2</sup> \$'000	
Revenue	23,111	18,755	23.2%
<b>Other items of income</b>			
Interest income	12	-	N.M. <sup>3</sup>
Other income	374	910	(58.9%)
<b>Items of expense</b>			
Purchases and consumables used	(6,962)	(6,603)	5.4%
Changes in inventories <sup>4</sup>	424	(14)	N.M.
Distribution costs	(750)	(699)	7.3%
Employee benefits expenses	(7,394)	(5,485)	34.8%
Depreciation expenses	(856)	(813)	5.3%
Advertising expenses	(754)	(793)	(4.9%)
Rental expenses	(1,407)	(1,213)	16.0%
Utilities	(620)	(645)	(3.9%)
Other expenses	(1,846)	(2,401)	(23.1%)
Finance costs	(92)	(120)	(23.3%)
<b>Profit before income tax</b>	<b>3,240</b>	<b>879</b>	268.6%
Income tax expense	(473)	(176)	168.8%
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>	<b>2,767</b>	<b>703</b>	293.6%
<b>Profit and total comprehensive income attributable to owners</b>	<b>2,767</b>	<b>703</b>	293.6%

Note:

1. "1H2014" denotes financial period ended 31 July 2013.
2. "1H2013" denotes financial period ended 31 July 2012.
3. "NM" denotes Not Meaningful.
4. Changes in inventories of \$0.42 million in 1H2014 was due to inventory stock up in food and catering supplies business.

**1(a)(ii) Notes to Statement of Comprehensive Income (for the group)**

Profit before income tax is arrived at after crediting / (charging) the following:

	Group		Increase / (Decrease)
	1H2014 \$'000	1H2013 \$'000	
Advertising sponsorship income	3	106	(97.2%)
Charitable income	45	-	N.M.
Gain on disposal of asset held for sale	-	382	(100.0%)
Gain on disposal of plant and equipment	1	201	(99.5%)
Government grants	161	12	1241.7%
Interest income	12	-	N.M.
Overprovision of current income tax in prior financial years	21	-	N.M.
Rental income	85	140	(39.3%)
Bad third party trade receivables written-off	(1)	-	N.M.
Depreciation expenses	(856)	(813)	5.3%
Finance costs	(92)	(120)	(23.3%)
Share issue expenses	-	(826)	(100.0%)
Plant and equipment written-off	(21)	(58)	(63.8%)

**1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**Statements of Financial Position**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>31/07/2013</b>	<b>31/01/2013</b>	<b>31/07/2013</b>	<b>31/01/2013</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	14,460	14,575	5	6
Investment properties	1,522	1,543	-	-
Investment	900	-	2,776	1,376
	<b>16,882</b>	<b>16,118</b>	<b>2,781</b>	<b>1,382</b>
<b>Current assets</b>				
Inventories	1,120	703	-	-
Trade and other receivables	2,301	1,882	1,123	2,607
Prepayments <sup>(a)</sup>	1,887	317	22	29
Cash and cash equivalents	9,601	11,733	4,818	6,006
	<b>14,909</b>	<b>14,635</b>	<b>5,963</b>	<b>8,642</b>
Less:				
<b>Current liabilities</b>				
Trade and other payables	3,893	4,295	2,169	2,001
Provisions	150	150	-	-
Bank borrowings <sup>(1)</sup>	403	785	-	-
Finance lease payables <sup>(2)</sup>	222	175	-	-
Current income tax payable	1,636	1,157	128	23
	<b>6,304</b>	<b>6,562</b>	<b>2,297</b>	<b>2,024</b>
<b>Net current assets</b>	<b>8,605</b>	<b>8,073</b>	<b>3,666</b>	<b>6,618</b>
Less:				
<b>Non-current liabilities</b>				
Bank borrowings <sup>(1)</sup>	6,650	6,667	-	-
Deferred tax liabilities	106	106	-	-
	<b>6,756</b>	<b>6,773</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>18,731</b>	<b>17,418</b>	<b>6,447</b>	<b>8,000</b>
<b>Capital and reserves</b>				
Share capital	6,399	6,399	6,399	6,399
Merger reserves	(326)	(326)	-	-
Retained earnings	12,658	11,345	48	1,601
<b>Total equity attributable to owners of the parent</b>	<b>18,731</b>	<b>17,418</b>	<b>6,447</b>	<b>8,000</b>

(a) Prepayments of \$1.89 million include a refundable deposit and stamp duties paid for Enterprise Properties amounting to \$1.57 million.

(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31-Jul-2013 (Unaudited) \$'000		As at 31-Jan-2013 (Audited) \$'000	
Secured <sup>(1)(2)</sup>	Unsecured	Secured	Unsecured
625	-	960	-

Amount repayable after one year

As at 31-Jul-2013 (Unaudited) \$'000		As at 31-Jan-2013 (Audited) \$'000	
Secured <sup>(1)</sup>	Unsecured	Secured	Unsecured
6,650	-	6,667	-

**Details of any collaterals:**

As at 31 July 2013, the Group's borrowings comprising bank borrowings and finance lease payables were secured as follows:

**(1) Bank borrowings**

Bank borrowings of \$0.40 million repayable within one year or less and \$6.65 million repayable after one year are both secured by the legal mortgage on investment properties at 10E Enterprise Road with carrying amount of \$0.85 million, 8A Admiralty Street #06-01 and #06-02 with carrying amount of \$1.10 million, and on land held for development at 30B Quality Road with a total carrying amount of \$8.86 million.

**(2) Finance lease payables**

The Group's obligations under finance leases of \$0.22 million are secured by the lessor's title to the leased assets, which have a net book value of \$0.75 million as at the end of the current financial period.

**(3) Guarantees**

Subsequent to 31 January 2013, the joint and several guarantees of the Directors were released by the bank and were replaced by corporate guarantee provided by Company.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

<b>Consolidated Statement Of Cash Flows</b>	<b>1H2014</b>	<b>1H2013</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Profit before income tax	3,240	879
Adjustments for:		
Depreciation expenses	856	813
Bad third party trade receivables written off	1	-
Gain on disposal of asset held for sale	-	(370)
Gain on disposal of plant and equipment	(1)	(213)
Interest expense	92	120
Interest income	(12)	-
Plant and equipment written off	21	58
Operating cash flows before working capital changes	4,197	1,287
Working capital changes:		
Inventories	(417)	341
Trade and other receivables	(420)	(626)
Prepayments	(1,571)	51
Trade and other payables	(402)	304
Cash generated from operations	1,387	1,357
Income tax paid	(237)	(115)
Income tax refund	243	-
Net cash from operating activities	1,393	1,242
<b>Investing activities</b>		
Purchase of investment securities	(900)	-
Purchase of property, plant and equipment	(536)	(863)
Addition to investments in subsidiaries	-	(391)
Proceeds from disposal of property, plant and equipment	2	1,264
Proceeds from disposal of asset held for sale	-	1,187
Interest received	12	-
Net cash (used in)/from investing activities	(1,422)	1,197
<b>Financing activities</b>		
Fixed deposit pledged with financial institution	-	(10)
Proceeds from issuance of shares	-	7,100
Share issue expenses	-	(841)
Repayment of bank borrowings	(398)	(1,233)
Repayment of finance lease payables	(159)	(25)
Dividends paid	(1,454)	(500)
Interest paid	(92)	(120)
Net cash (used in)/from financing activities	(2,103)	4,371

## Consolidated Statement Of Cash Flows

	1H2014 (Unaudited) \$'000	1H2013 (Unaudited) \$'000
Net change in cash and cash equivalents	(2,132)	6,810
Cash and cash equivalents at beginning of financial year	11,682	3,437
<b>Cash and cash equivalents at end of financial period</b>	<b>9,550</b>	<b>10,247</b>

### Cash and cash equivalents comprise:

Cash on hand and at bank	9,550	10,247
Fixed deposits	51	51
<b>Cash and cash equivalents as per statements of financial position</b>	<b>9,601</b>	<b>10,298</b>
Less: fixed deposit pledged with financial institution	(51)	(51)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>9,550</b>	<b>10,247</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

## Consolidated Statement of Changes in Equity

### Group

	Share capital \$'000	Merger reserves \$'000	Retained earnings \$'000	Total equity Attributable to owners \$'000
<b><u>Current period</u></b>				
Balance at 1 February 2013	6,399	(326)	11,345	17,418
<b>Profit for the financial period</b>	-	-	2,767	2,767
<b>Total comprehensive income for the financial period</b>	-	-	2,767	2,767
<b>Contribution by and distribution to owners:</b>				
Dividends			(1,454)	(1,454)
<b>Total transactions with owners</b>	-	-	(1,454)	(1,454)
Balance at 31 July 2013	6,399	(326)	12,658	18,731
<b><u>Previous period</u></b>				
Balance at 1 February 2012	650	100	9,531	10,281
<b>Profit for the financial period</b>	-	-	703	703
<b>Total comprehensive income for the financial period</b>	-	-	703	703

**Group**

	Share capital \$'000	Merger reserves \$'000	Retained earnings \$'000	Total equity Attributable to owners \$'000
<b>Contribution by and distribution to owners:</b>				
Issuance of subscriber share at incorporation of the Company	1	-	-	1
Issuance of ordinary shares pursuant to the restructuring exercise	499	-	-	499
Restructuring exercise	(650)	(426)	-	(1,076)
Issuance of ordinary shares pursuant to the initial public offering	6,600	-	-	6,600
Share issue expenses	(826)	-	-	(826)
Dividends	-	-	(500)	(500)
<b>Total transactions with owners</b>	<b>5,624</b>	<b>(426)</b>	<b>(500)</b>	<b>4,698</b>
Balance at 31 July 2012	6,274	(326)	9,734	15,682

**Statement of Changes in Equity****Company**

	Share capital \$'000	Retained earnings \$'000	Total equity Attributable to owners \$'000
<b>Current period</b>			
Balance at 1 February 2013	6,399	1,601	8,000
<b>Loss for the financial period</b>	-	(99)	(99)
<b>Total comprehensive income for the financial period</b>	-	(99)	(99)
<b>Contribution by and distribution to owners:</b>			
Dividends	-	(1,454)	(1,454)
<b>Total transactions with owners</b>	-	(1,454)	(1,454)
Balance at 31 July 2013	6,399	48	6,447
<b>Previous period</b>			
Balance at 1 February 2012	NA	NA	NA
<b>Loss for the financial period</b>	-	(447)	(447)
<b>Total comprehensive income for the financial period</b>	-	(447)	(447)
<b>Contribution by and distribution to owners:</b>			
Issuance of subscriber share at incorporation of the Company	1	-	1
Issuance of ordinary shares pursuant to the restructuring exercise	499	-	499
Issuance of ordinary shares pursuant to the initial public offering	6,600	-	6,600
Share issue expenses	(826)	-	(826)
<b>Total transactions with owners</b>	<b>6,274</b>	<b>-</b>	<b>6,274</b>
Balance at 31 July 2012	6,274	(447)	5,827

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the share capital of the Company in 1H2014.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current period and as at the end of the immediately preceding year.**

	Company As at	
	31/07/2013	31/01/2013
Total number of issued shares excluding treasury shares	144,000,000	144,000,000

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.**

Not Applicable.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not Applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The financial results for the current period have been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statement for the financial year ended 31 January 2013.

**5. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not Applicable.



6. Earnings per ordinary share of the company for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per share ("EPS")	Group As at	
	31/07/2013 (Unaudited)	31/07/2012 (Unaudited)
Profit attributable to owners of the parent (\$'000)	2,767	703
Weighted average number of ordinary shares <sup>(1)</sup>	144,000,000	50,659,092
Basic and diluted EPS based on weighted average number of ordinary shares (cents) <sup>(1)(2)</sup>	1.92	1.39

Note:

- (1) The calculation for the basic and diluted EPS for the respective financial years is based on the weighted average number of ordinary shares in issue during the period.
- (2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments during the period.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of  
 (a) current period reported on; and  
 (b) immediately preceding financial year.

Net asset value ("NAV")	Group As at		Company As at	
	31/07/2013 (Unaudited)	31/01/2013 (Audited)	31/07/2013 (Unaudited)	31/01/2013 (Audited)
NAV (\$'000)	18,731	17,418	6,447	8,000
Number of ordinary shares	144,000,000	144,000,000	144,000,000	144,000,000
NAV per ordinary share (cents)	13.0	12.1	4.5	5.6

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

Review of the performance

**8(a) Consolidated Statement of Comprehensive Income**

Revenue

For the financial period ended 31 July 2013 ("1H2014"), the Group registered \$23.11 million in revenue, as compared to \$18.76 million in the previous corresponding financial period ("1H2013"). The increase in the

Group's revenue by approximately \$4.35 million or 23.2% was mainly attributable to the growth in the Food Catering Business by \$3.77 million or 28.0% which resulted from an increase in the social catering events during the period, as well as contributions from the corporate and government sectors.

The revenue of the Food Retail Business also increased by \$0.58 million or 11.0% from \$5.29 million in 1H2013 to \$5.87 million in 1H2014. This was mainly driven by a growth in the delivery sales and same outlet sales. There was an increase of \$0.27 million or 61.4% in delivery sales and \$0.55 million or 13.5% increase in same outlet sales in 1H2014 compared to 1H2013.

#### Other income

Other income in 1H2014 was \$0.37 million as compared to \$0.91 million in 1H2013. The decrease of approximately \$0.54 million or 58.9% was mainly due to a one-time gain of \$0.20 million on disposal of a leasehold property and \$0.38 million on a disposal of asset held for sale both of which happened in 1H2013.

#### Purchases and consumables used

Purchases and consumables used increased by approximately \$0.36 million or 5.4% from \$6.60 million in 1H2013 to \$6.96 million in 1H2014. The increase was primary due to an increase in the overall sales revenue and an increased in food cost and consumables expenses due to inflation. While revenue increased by 23.2% in 1H2014, the purchases and consumables increased at a lower rate of 5.4% as compared to 1H2013 as there was better cost control in the food catering business.

#### Distribution costs

Distribution costs increased marginally by \$0.05 million or 7.3% to \$0.75 million in 1H2014 as compared to \$0.70 million in 1H2013. This was mainly due to part-time and sub-contracted drivers being hired to support the increase in the social catering events, as well as the corporate and government sectors during the period.

#### Employee benefits expenses

Employee benefits expenses increased by approximately \$1.91 million or 34.8% to \$7.39 million in 1H2014 as compared to \$5.48 million in 1H2013. This was largely due to a planned addition of headcounts in Logistic, Sales and Procurement functions to support the business growth, adjustments made to the salary packages for the senior management before IPO which were afterwards reinstated and reflected in this period, the impact from post-government levy on foreign workers, revision of salaries to match prevailing market rates, compliance fees including directors' fees as well as provision of bonuses during the period.

#### Advertising expenses

Advertising expenses decreased by \$0.04 million or 4.9% from \$0.79 million in 1H2013 to \$0.75 million in 1H2014 primary due to more targeted marketing strategies and a controlled brochure distribution.

#### Rental expenses

Rental expenses increased by \$0.19 million or 16.0% from \$1.21 million in 1H2013 to \$1.41 million in 1H2014. This was mainly due to an increase in land rent paid for 30B Quality Road, rental of vehicles and rental of coldrooms.

#### Utilities

Utilities decreased by approximately \$0.03 million or 3.9% from \$0.65 million in 1H2013 to \$0.62 million in 1H2014. This was primarily due to various costs saving strategies implemented to the Operations and Logistic departments to better monitor the usage of water and electricity consumption. In addition, the electricity tariffs were also lowered during the period.

#### Other expenses and finance costs

Other expenses decreased by \$0.55 million or 23.1% from \$2.40 million in 1H2013 to \$1.85 million in 1H2014. In 1H2013, other expenses excluding the one time IPO expenses of \$0.83 million was \$1.57 million. As a result, other expenses in 1H2014 increased by \$0.28 million or 17.8% as compared to 1H2013. This is largely attributed to the increase in professional and legal fee, credit card charges and travelling expenses.

Finance costs decreased by approximately \$0.03 million or 23.3% from \$0.12 million in 1H2013 to \$0.09 million in 1H2014. This was mainly due to the refinancing of mortgage loan on leasehold properties purchased.

#### Profit before income tax

The Group's profit before income tax increased by \$2.36 million or 268.6% from \$0.88 million in 1H2013 to \$3.24 million in 1H2014. The increase was mainly due to a stronger operating profit contribution from Food Catering Business despite a significant increase in employee benefits and rental expenses.

#### Profit after income tax

The Group posted a significant increase of 293.6% or \$2.07 million in the profit after income tax from \$0.70 million in 1H2013 as compared to a profit after income tax of \$2.77 million in 1H2014.

### **8(b-1) Statement of Financial Position**

#### Non-current assets

The Group's non-current assets increased by \$0.76 million from \$16.12 million as at 31 January 2013 to \$16.88 million as at 31 July 2013. This comprises an investment of \$0.90 million in the shares of Singapore Kitchen Equipment Group in 1H2014 and depreciation expenses provided for both property, plant and equipment and Investment properties of approximately \$0.11 million and \$0.02 million in 1H2014 respectively.

#### Current assets

The Group's current assets increased by \$0.27 million from \$14.64 million as at 31 January 2013 to \$14.91 million as at 31 July 2013. This was mainly due to an increase in inventories of approximately \$0.42 million due to a higher inventory level held in the Food and Catering Supplies Business. An increase in prepayments of approximately \$1.57 million due to a refundable deposit and stamp duties of 5 units of leasehold properties paid to and held by the Singapore Academy Of Law as stakeholders pending the completion of the sale and purchase of the properties.

#### Current liabilities

The Group's current liabilities decreased by \$0.26 million from \$6.56 million as at 31 January 2013 to \$6.30 million as at 31 July 2013. This was mainly attributed to a decrease of \$0.40 million in trade and other payables and a decrease of \$0.38 million in current bank borrowings. An increase in current finance lease payable of \$0.05 million due to the addition of vehicles purchased during the period and an increase of \$0.48 million in current income tax payable due to the provision made for the 1H2014 profit.

#### Non-current liabilities

The Group's non-current liabilities decreased by \$0.01 from \$6.77 million as at 31 January 2013 to \$6.76 million as at 31 July 2013. This was mainly due to the reclassification of non-current bank borrowings for the leasehold properties.

The Group has a positive working capital of \$8.61 million as at 31 July 2013 as compared to \$8.07 million as at 31 January 2013.

### **8(b-2) Consolidated Statement of Cash Flows**

Net cash inflow generated from operating activities amounted to \$1.39 million in 1H2014. This was mainly resulted from operating cash inflow before movements in working capital of \$4.20 million, an increase in net working capital of \$2.81 million and income tax paid of \$0.24 million off set by a tax refund.

The increase in net working capital comprised mainly, an increase in prepayments of approximately \$1.57 million, a decrease in trade and other payables of approximately \$0.40 million, an increase in inventories of approximately \$0.42 million and an increase in trade and other receivables of \$0.42 million.

Net cash used in investing activities amounted to \$1.42 million in 1H2014. This was mainly attributed to the acquisition of investment security of \$0.90 million and the purchase of property, plant and equipment of approximately \$0.53 million.

Net cash used in financing activities amounted to \$2.10 million in 1H2014. This was mainly attributed to the repayment of bank borrowings of approximately \$0.40 million, repayment of finance lease payable of \$0.16 million, dividends payment of \$1.45 million and interest payment of \$0.09 million.

Consequent to the above factors, the net decrease in cash and cash equivalents during 1H2014 was \$2.13 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to our shareholders, any variance between it and the actual results.**

The financial performance of the Group for 1H2014 is generally in line with what has disclosed in the FY2013 result announcement ended 31 January 2013.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The outlook of the industry in which it operates is expected to remain positive.

With the corporate catering segment occupying two-third of the local events catering industry which is worth \$300m<sup>1</sup>, the Group will aggressively expand our corporate sales force to capture more market share. The Group targets to cover wider market segments by creating new catering brands and new celebration concepts.

As for its Food Retail Business, the Group will continue to pursue its expansion plan. It will open more outlets locally as well as venture into overseas markets through franchising or licensing. It has since inked a 5-year licence agreement with an Indonesian company, P.T Umi Sushi Indonesia to launch three “umisushi” food retail stores in the in the Special Central Region of Jakarta, Indonesia. It will continue to seek collaborations with committed overseas partners when it participates in an upcoming franchise exhibition in October 2013. Beyond “umisushi”, the Food Retail Business will develop and launch new concepts that complement its existing offering in calendar year 2014.

As for the Food and Catering Supplies Business, the Group will continue its growth by extending its trading services to third parties.

Barring unforeseen circumstances, the Group expects to be profitable for the rest of the FY2014.

**11. Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period reported on?**

Yes.

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<sup>1</sup> Based on a report entitled, “Events Catering Services Singapore” dated April 2012 prepared by Euromonitor International Limited.

**(b) (i) Amount per share**

1.16 Singapore cents per share.

**(ii) Corresponding Period of the Immediately Preceding Financial Year**

Yes.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The dividend is tax exempt.

**(d) The date the dividend is payable**

To be announced at a later date.

**(e) Books closure date**

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

**12. If no dividend has been declared/recommended, a statement to that effect**

Not applicable.

**13. Interested person transactions**

<b>Name of interested person</b>	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u>)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than \$100,000)</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Neo Kah Kiat</u>		
(i) GUI Solutions Pte Ltd		
- Cost of goods and services purchased	89	-
(ii) Perdure Technology Pte Ltd –		
- Cost of goods and services purchased	13	-
- Rental and utilities income	19	-
- Printing and stationery	3	-
(iii) Office premise lease expense	42	-
<u>Neo Kah Kiat and Liew Oi Peng</u>		
(i) Office premise lease expense	135	-
(ii) Twinkle Investment Pte Ltd		
- Office premise lease expense	42	-
- Rental of yacht	26	-

Note:

The Group has not obtained any general mandate from shareholders for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

#### 14. Update on use of Initial Public Offer (“IPO”) proceeds

Pursuant to the IPO, the Company received total proceeds of \$6.60 million and as at the date of this announcement, the IPO proceeds have been utilized as follows:

Intended Usage in accordance with the Offer Document	Allocation (\$'000)	Amount utilized (\$'000)	Amount unutilized (\$'000)
Expand and develop our Food Catering Business and Food Retail Business (which may include acquisitions, joint ventures and / or strategic alliances)	5,000	-	5,000
IPO expenses	1,600	(1,598)	2
<b>Total</b>	<b>6,600</b>	<b>(1,598)</b>	<b>5,002</b>

#### 15. Requirement under Rule 705(5) of the Listing Manual

We, Neo Kah Kiat and Liew Oi Peng, being Directors of Neo Group Limited (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 31 July 2013 to be false or misleading in any material aspect.

Neo Kah Kiat  
Chairman and Chief Executive Officer

Liew Oi Peng  
Executive Director

**BY ORDER OF THE BOARD**  
Neo Kah Kiat

9 September 2013

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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”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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. Benjamin Choy, Director, Corporate Finance. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, telephone: +65 6337 5115.