

WE'RE  
NUMBER

NEO GROUP 榮苑集團



SHARE INFORMATION (AS AT 6 SEPTEMBER 2013)

Listed On: SGX-ST Catalyst	Listing Date: 11 July 2012
IPO Price: S\$0.30	52-week Price Range: S\$0.265 – S\$0.455
Issued & Paid Up Shares: 144 mil	Market Cap.: S\$64.1 mil

FINANCIAL HIGHLIGHTS (FYE 31 JAN)

(\$S'mil)	FY2011	FY2012	FY2013	1H2013	1H2014	Change (%)
Revenue	30.0	38.4	41.7	18.8	23.1	23.2
Net Profit	2.8	5.4	3.0*	0.7	2.8	293.6
Net Profit Margin (%)	9.3	14.0	7.2	3.7	12.0	8.3 % pts
Earnings/Share (cts)	NA	NA	2.87	1.39	1.92	38.1
Dividend/Share (cts)	NA	NA	1.5	0.49	1.16	136.7%

\* Lower net profit mainly due to one-time IPO expenses of S\$0.90 million, a rise in compliance expenses, and that FY2013 did not include the full Chinese New Year peak, as compared to FY2012 which enjoyed sales from two Chinese New Year peaks.

BUSINESS OVERVIEW

No. 1 Events Caterer in Singapore<sup>1</sup>

Food Catering	Food Retail	Food Catering & Supplies
<p><b>3 catering brands</b> serving diverse customer segments</p> <p>Served <b>1.07 mil</b> headcounts in 1H2014 (1H2013: 0.9 mil)</p>   	<p>Operates <b>19 food retail outlets</b> in Singapore (as at 31 Aug 2013); and <b>5 more by 1QCY2014</b></p> <p>Expanded to <b>Indonesia</b> with 1<sup>st</sup> outlet in July 2013</p> 	<p>Source some of the food products/ingredients for its businesses directly from manufacturers and/or distributors</p> <p>Import from more sources around Asia to improve cost management</p>  

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

INVESTMENT MERITS

1. Singapore's largest catering group; 9% market share<sup>1</sup>
2. A S\$300-million catering industry<sup>1</sup>
3. 12.0% net profit margin in 1H2014
4. 28-time growth in operating profit in 1H2014
5. Highly effective cost management
6. A strong brand presence
7. IT-driven operational efficiencies
9. Dividends of not less than 60% of our net profits till FY2015

BUSINESS STRATEGIES AND FUTURE PLANS

Consolidate business operations & increase production capacity

- Enterprise Road properties
  - Total land area of approx. 75,018 sq ft
  - Built-in area of approx. 57,111 sq ft
  - Capacity of 15,000 to 20,000 guests a day
- 30B Quality Road facility
  - Land area of approx. 122,150 sq ft
  - Proposed built-in area of approx. 200,000 sq ft
  - Capacity of 20,000 to 30,000 guests a day
  - Pending approval for a 30-year lease term

Strengthen existing brands & introduce new concepts

Increase fleet of delivery vehicles

Expand business through acquisitions, JVs &/or strategic alliances

Expand and develop Food Retail business

- Explore franchise opportunities in Singapore and overseas
- Open more outlets locally; target 30 outlets by 2016

Expand Food & Catering Supplies to external parties



OPERATIONS

Customised integrated information system to control production and operations processes and transmit real-time data to relevant departments

Central Kitchens

- 4 locations in eastern and western parts of Singapore with an aggregate areas of more than 25,000 sq ft
- Fully or semi-automated production processes

Delivery and Distribution

- Fleet of 106 delivery vehicles, including sub-contract vehicles
- Timely delivery to all locations in Singapore

AWARDS WON (DURING 1H2014)

- Reader's Digest Trusted Brand Awards 2013 (Platinum Winner)
- Singapore Book of Records "Highest Number of Events Catered by a Company in One Day" (1,005 orders serving over 27,000 guests)
- Promising SME 500 Awards



KEY MANAGEMENT

SHAREHOLDINGS  
(AS AT 31 JUL 2013)

Mr Neo Kah Kiat	Founder, Chairman and CEO	71.07%
Ms Liew Oi Peng	Executive Director	8.00%
Mr Lee Kwang Boon	Executive Director (Business Development)	1.17%
Mr Liew Choh Khing	Executive Director (Food Retail)	1.17%
Ms Teo Hwee Ai	Chief Operating Officer	0.65%
Ms Lim Li Ling	Group Financial Controller	-