

NEWS RELEASE

NEO GROUP TO ACQUIRE 55%-STAKE IN PARENT COMPANY OF “DODO” FISHBALLS, THONG SIEK GROUP, FOR S\$7.35 MILLION

- *Neo Group’s first major acquisition in line with Group’s value proposition as a fully-integrated catering solutions provider*
- *Upstream acquisition synergistic with Neo Group’s core businesses, providing a vertical integration process enabling the Group to expand into manufacturing and reap economies of scale*
- *Broadening of income stream with addition of new businesses and distribution channels globally*



Mr. Neo Kah Kiat, Founder, Chairman and CEO of Neo Group, and Mr. Lim Boon Chay, Chairman and Managing Director of Thong Siek Food Industry Pte Ltd, at the signing ceremony

Singapore, May 14, 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"), marked its first major acquisition since its listing today through the \$7.35 million proposed acquisition of a 55%-equity stake in Thong Siek Holdings Pte. Ltd. (“TSH”) – Singapore’s leading manufacturer, distributor and retailer of surimi-based seafood products.



TS Group’s popular DoDo line of products

TSH holds four entities (“TS Group”) involved in the manufacturing of seafood-based products such as the popular DoDo brand of fish balls, crabsticks and other surimi-based products through two production facilities operating in Senoko, Singapore, and Johor Bahru, Malaysia. These products are sold in Singapore and Malaysia, and distributed across 22 countries worldwide including Asia, Australia, Europe and U.S.A.

This landmark acquisition – payable in cash and new shares – is part of the Group’s transformation to offer turnkey catering solutions with its comprehensive suite of brands and service offerings within three business pillars – food catering, food retail as well as food and catering supplies – to capture various market segments.

Mr Neo Kah Kiat (“Mr Neo” or 梁佳吉), Founder, Chairman and CEO of Neo Group, said: “We are pleased to have reached another key corporate milestone with this major acquisition. This upstream acquisition is in line with our value proposition as a fully-integrated catering solutions provider, enhancing our supply chain and providing a vertical integration process that will expand our manufacturing business.

“TS Group’s businesses in the manufacture and sale of seafood-based products are complementary to our businesses and offer a good value proposition. We will be able to leverage on TS Group’s expertise in food manufacturing to streamline and further strengthen our new central kitchen’s operations for higher quality consistency while reaping economies of scale and synergies with our core businesses following the integration and streamlining of processes.

“The acquisition will also allow the Group to create new business-to-consumers income streams, expand our customer base and market segments, while giving us access to a large distribution network across 22 countries globally.”

Following the acquisition, TSH intends to deepen its existing footprint in Singapore and Malaysia by intensifying marketing efforts and reaching out to the Malay community through its halal product lines. It also intends to set up a marketing office in the U.K. to expand into new markets such as Europe, the Americas and Hong Kong.

Having complementary processes, the Group intends to consolidate operations to reduce costs and drive greater internal efficiencies, while having the ability to cross-sell internally between businesses. TSH also seeks to revitalise the “DoDo” brand of frozen foods and introduce a premium line of products appealing to corporate customers in order to cultivate a new customer segment reaching out to hotels, restaurants and cafes.

“Having two strong players in their respective fields come together, we believe we will each be able to bring to the table our own set of strong capabilities, network and expertise to create a mutually-beneficial relationship. With the clear growth strategy mapped out by TSH’s new management, we are confident in bringing the business to the next level,” Mr Lim said.

In addition, Mr Neo Kah Kiat, Neo Group's Founder, Chairman and CEO will assume the role of Acting CEO of TSH whilst Ms Xenn Lim, General Manager, Corporate Services of TS Group, will become Deputy CEO of TSH. TSH's finance function will be fully integrated into Neo Group's finance processes and oversight following this acquisition.

Neo Group expects to commence consolidation of TSH's financials from the financial period ending 30 June 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 2010.¹

The Group is involved in the Food Catering, Food Retail and Food and Catering Supplies businesses and combines 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 to corporate to community functions. In addition, Best Catering offers daily meal delivery services to customers.

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 Japanese food at affordable prices at convenient locations.

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

The Group also operates *issho izakaya*, a Japanese drinking and dining establishment and NANAMI UDON, which offers favourite Japanese Tempura and Udon meals at great value and convenience. Recently, the Group opened LJJ Café, a '60s inspired eatery that is located at the quaint neighbourhood shophouse at Circuit Road, and 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.

To support the logistical needs of its Food Catering and Food Retail 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.

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 in budget.

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 Catalyst. 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, Catalyst. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.

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