NEO GROUP

NEO GROUP LIMITED

FY2014 RESULTS PRESENTATION

NEO GROUP 梁苑集团

FY2014 FINANCIAL HIGHLIGHTS

PRESENTATION OUTLINE

1. Solid Performance
2. Sound Fundamentals
3. Sustainable Future
4. Why Invest in Neo Group?

SOLID PERFORMANCE

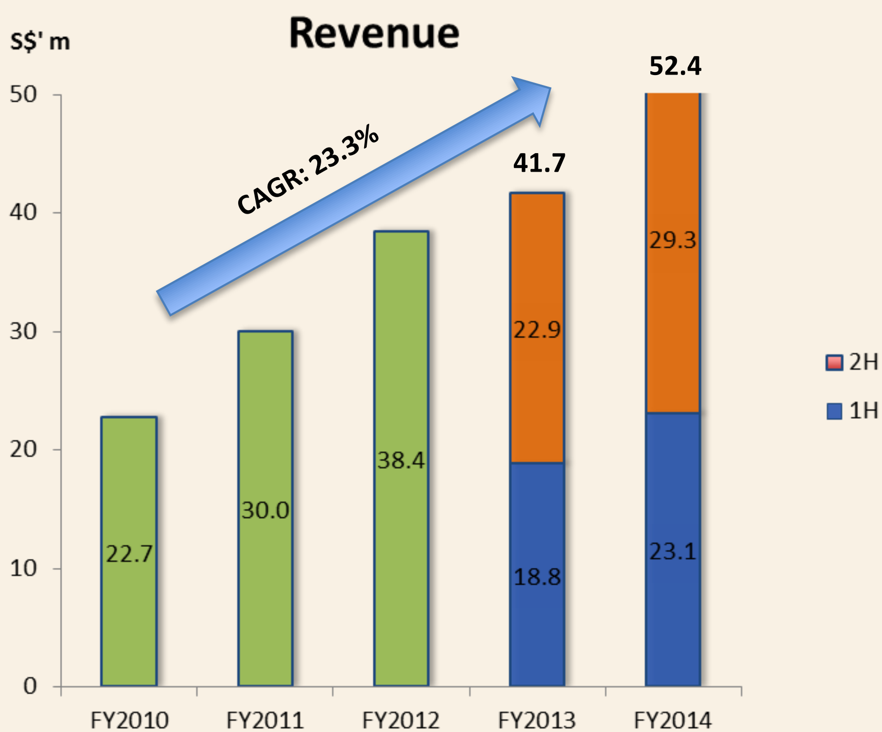
KEY GROUP HIGHLIGHTS

- Achieved Record Revenue
- Record Net Profit
- Key Growth Driver – Food Catering, with Record servings to 2.5 million guests
- Record Dividend
- Significant NP margin growth; Capacity increase and automation to drive further Economies of Scale
- Strong Brand Recognition

RECORD REVENUE

NEO GROUP 梁苑集团

↑ 25.6% to $52.4m



Note:
- *Our FYE is 31 Jan.*
- *Revenue from our Food and Catering Supplies Business is not significant.*

↑ 27.0% to $39.0m

Food Catering
- More social catering events during the period
- Record CNY sales
- Growth in market share for corporate and government sectors

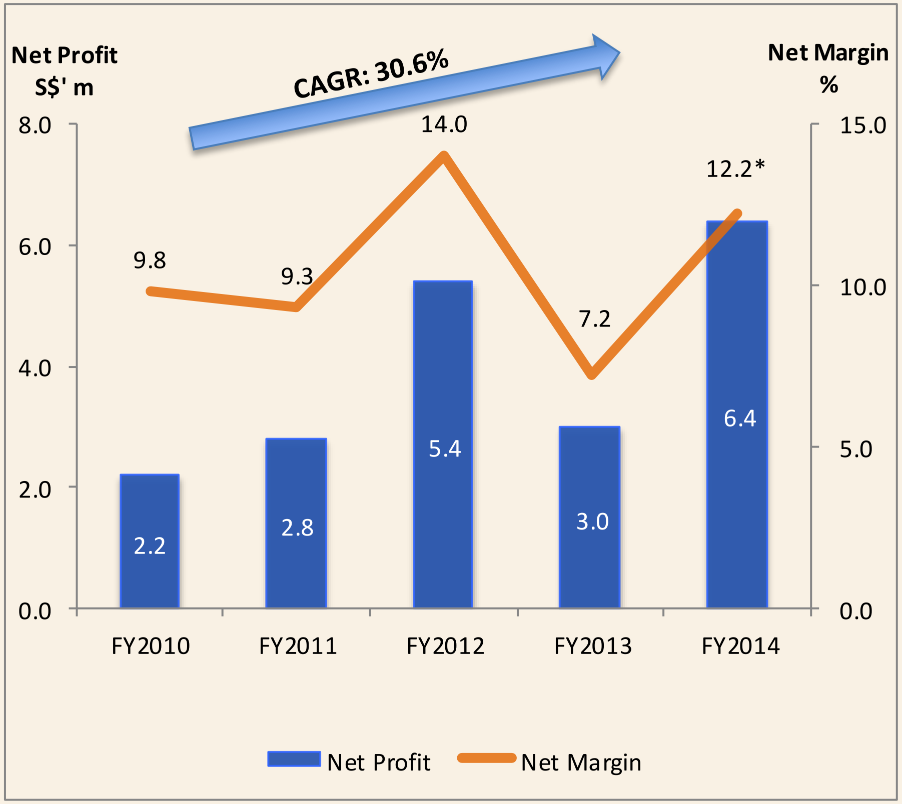
↑ 15.6% to $12.7m

Food Retail
- Improved same-outlet sales
- Growth in delivery sales

Overall, served a ***record*** of over 2.5 million guests in FY2014 vs 2.13 million guests in FY2013

RECORD NET PROFIT

111.9% to $6.4m



Record Net Profit driven mainly by

- Robust sales
- 94.0% increase in PBT with stronger operating profit contribution from Food Catering

Healthy net profit margin

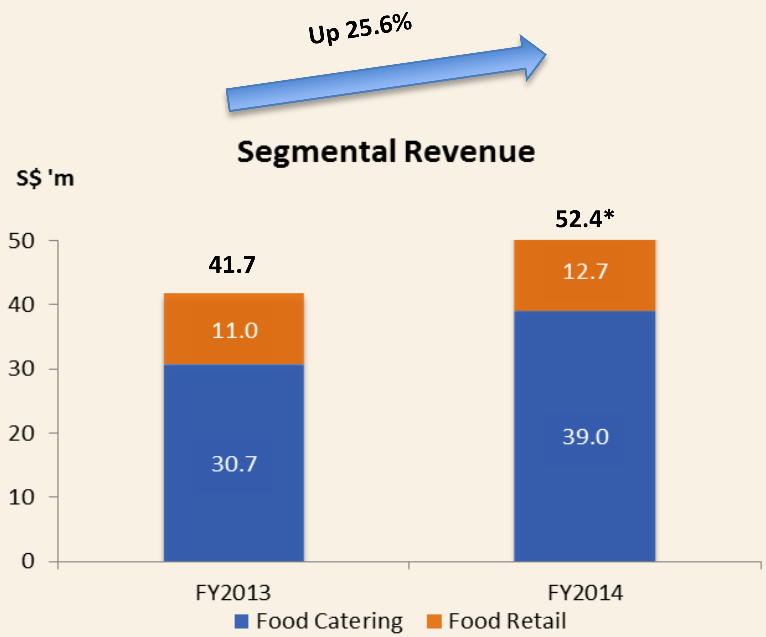
- 12.2%* - significant improvement in net profit margin in FY2014
  - Rose 5.0% points from 7.2% in FY2013
  - Good cost management and economies of scale

Note:

- *Our FYE is 31 Jan.*
- *Revenue from our Food and Catering Supplies Business is not significant.*

* *Net profit margin from operation is 11.2% without adjusting for an over-provision of income tax expense in prior financial years.*

SEGMENTAL BREAKDOWN



27.0% to $39.0m

Food Catering

- Growth from social, corporate and government sectors

15.6% to $12.7m

Food Retail

- Improved same-outlet sales
  - Growth on track
  - 9.3% or S$0.73 million increase
- Commendable Delivery sales
  - Impressive 51.4% growth in delivery sales
  - Continued to be boosted by the Group's newly created Online Order System

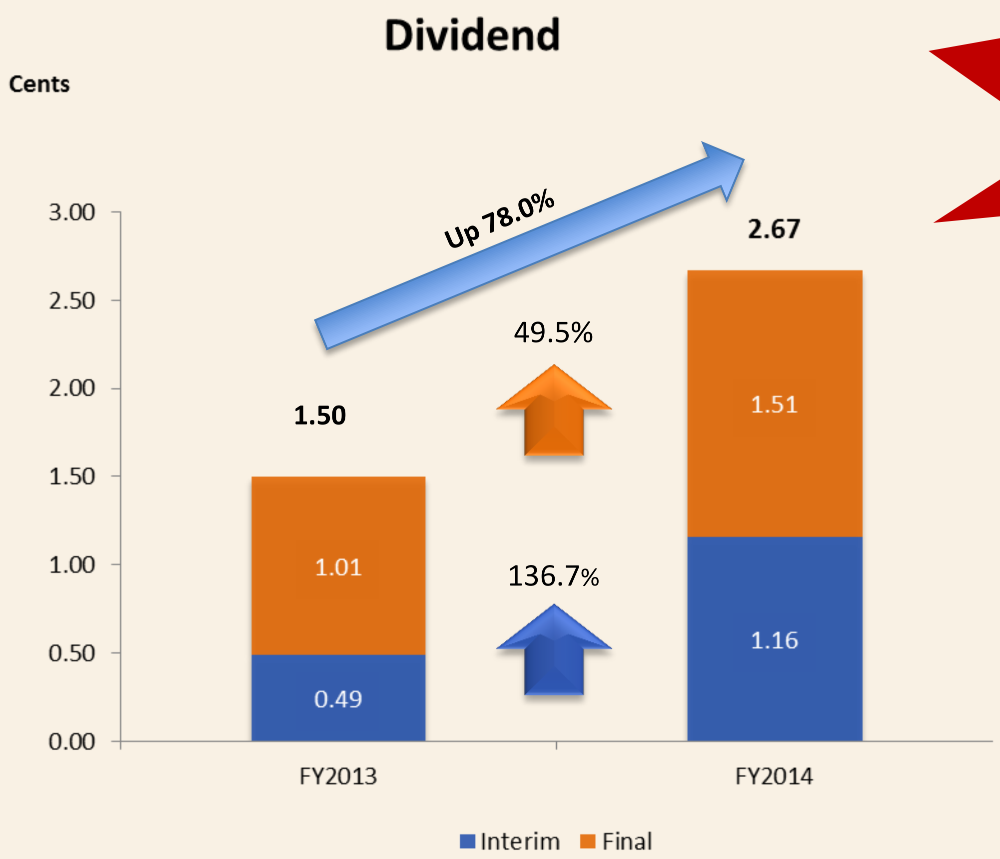
- *Revenue from our Food and Catering Supplies Business is not significant.*

FINANCIAL POSITION

Profitability Ratios	FY2014	FY2013	% change
Earnings Per Share (cents)	4.44	2.87	54.7
Return On Assets (%)	14.8	9.8	51.0
Return On Equity (%)	31.2	17.3	80.3
Financial Position	**As at 31 Jan 2014**	**As at 31 Jan 2013**	
Shareholders' equity (S$'m)	20.5	17.4	17.8
Net Gearing (%) (1)	37.8	Net cash	NM
Net Asset Value Per Share (cents)	14.2	12.1	17.4
Cash Flow	**FY2014**	**FY2013**	
Net cash from operating activities (S$'m)	7.9	4.6	71.7
Cash and cash equivalent at end of period (S$'m)	8.5	11.7	(27.4)
Efficiency Ratios			
Trade receivables turnover days(2)	11	7	
Trade payables turnover days(3)	57	39	

1) *Net Gearing is computed by net debt divided by shareholder's equity plus net debt.*
2) *Trade receivables turnover days is computed by dividing 365 days by the gross trade receivables turnover ratio. The gross trade receivables turnover ratio is calculated by dividing annual sales by gross trade receivables.*
3) *Trade payables turnover days is computed by dividing 365 days by the trade payables turnover ratio. The trade payables turnover ratio is calculated by dividing annual purchases by trade payables.*

RECORD DIVIDEND



Dividends of not less than 60% of our net profits attributable to our Shareholders till FY2015

SOUND FUNDAMENTALS

DIVERSIFIED BUSINESS SEGMENTS

NEO GROUP 梁苑集团

SINGAPORE'S LARGEST CATERING GROUP WITH LEADING MARKET SHARE*

NEO GROUP LIMITED
No. 1 Events Caterer in Singapore
NEO GROUP 梁苑集团

- **Food Catering**
  - 100% — NEO GARDEN CATERING (We deliver the restaurant to you)
  - 100% — ORANGE CLOVE
  - 100% — Deli hub
  - 100% — Best CATERING
- **Food Retail**
  - 100% — umisushi
- **Food and Catering Supplies**
  - 100% — NK
  - 100% — H-CUBE

**Source: Events Catering Services Singapore – Euromonitor International, April 2012.*
"Events catering" means food catering services provided for social or corporate events only.

VARIOUS BRANDS TO CAPTURE DIFFERENT MARKET SEGMENTS

NEO GROUP 梁苑集团

Food Catering

Brand	Market segments
NEO GARDEN CATERING — We deliver the restaurant to you	– Mid market – Households – Corporations
ORANGE CLOVE *	– Mid to upper market – Corporations
Deli hub *	– Mass market – Corporations – Public sector institutions
Best 3 CATERING	– Tingkat services – Mass market – Households

Food Retail

umisushi

– Mid market
– 23 outlets in Singapore and Indonesia
– Provides fresh sushi at affordable prices

Food and Catering Supplies

NKK

– Support the Group's Food Catering and Retail Businesses in sourcing and supplying ingredients and buffet equipment at bulk, thereby achieving economies of scale
– Sales to third parties

H-CUBE

– H-Cube is specialised in Japanese food ingredients
– Sales to third parties

**Halal*

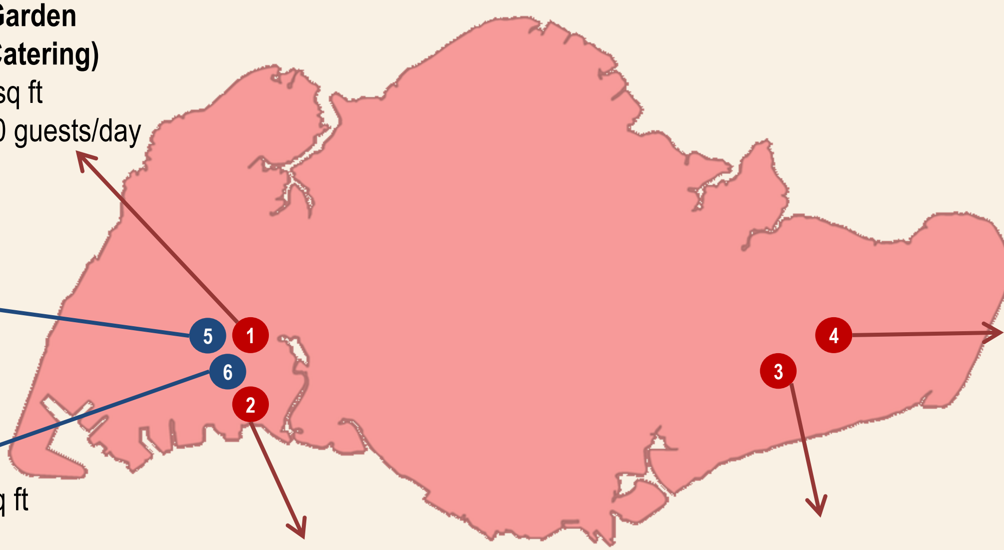
KITCHEN OPERATIONS & CAPACITY

NEO GROUP 梁苑集团

6A Wan Lee Road (Neo Garden Catering/Deli Hub/Best Catering)
Built-in floor area: 12,346 sq ft
Capacity: 10,000 to 15,000 guests/day

1 Enterprise Road
Built-in floor area: 57,111 sq ft
Capacity: 15,000 to 20,000 guests/day

30B Quality Road
Built-in floor area: 300,000 sq ft
Capacity: 20,000 to 30,000 guests/day



Shimei East Kitchen (Supplies to Eastern outlets)
Built-in floor area: 3,014 sq ft

Jalan Tepong (Supplies to Western outlets)
Built-in floor area: 2,573 sq ft

Enterprise One (Orange Clove)
Built-in floor area: 8,913 sq ft
Capacity: 9,000 guests/day

Upcoming Kitchens   Kitchens in-Operation

PRODUCTIVITY BOOST

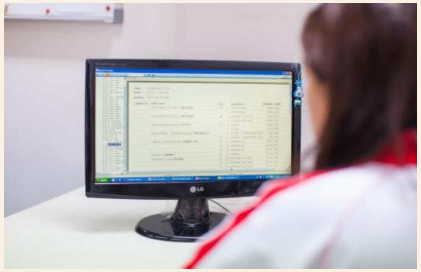
NEO GROUP 梁苑集团

Mechanisation

Automation

Rotary Fryer

Vegetable Cut Machine



Kitchen Automation and Enhanced IT System

Mobile Data Terminal

Effective Cost Management

- Vegetable Cut Machine
  - **Reduces manpower requirement by 8 times** for vegetable cutting and **increases production output by 50%**
- Rotary Fryer
  - **Shortens cooking time by 30% and 50% production increase** due to bigger capacity

Effective Cost Management

- IT System – An SMS system was put in place to allow **order confirmation** by customers
- Kitchen Automation – **Schedules chefs' work** based on orders and manages packers' tasks
- Mobile Data Terminal – Allows **tracking of orders** from kitchen to delivery, provides **GPS** to help drivers with directions

FOOD CATERING

NEO GROUP 梁苑集团

HIGHLIGHTS FOR FY2014

Sales ⬆ 16%
(FY2014 vs FY2013)

RECORD BREAKING

⬆ 1,118 orders
@ 1st day of CNY
(2013:1,005; 2012:818)

30,977 orders,
⬆ 14.0%
(FY2013: 27,164)

KEY DRIVERS

- Strong brand recognition supported by wide media coverage & publicity
  - Singapore Prestige Brand Award (Hall of Fame and overall Established Brand winner for two consecutive years)
- Singapore Book of Records: "Highest Number of Events Catered by a Company in One Day"
  - 1,118 events which served ***30,000 guests*** in 2014 has surpassed 1,005 events which catered to over 27,000 guests in 2013; and 818 events which catered to 23,000 guests in 2012.
    - Several successive year-on-year gains in Lunar New Year sales

NEW DEVELOPMENTS

- Centralised kitchen at Enterprise Road to be completed by 2Q2014
  - To ramp up daily catering capacity by ***three to four times***

HIGHLIGHTS FOR FY2014

Sales ⬆51.0% (FY2014 vs FY2013)	716,115 guests served ⬆34.4% (FY2013: 532,794)	17,816 orders ⬆33.6% (FY2013: 13,335)



KEY DRIVERS

- Increase in corporate customers base
- Increase in brand awareness through corporate nights
- Cater to larger event size
- Cater to more premium/corporate events
- Larger sales force
- More venue partnerships

PROMISING SME500 2013

NEW DEVELOPMENTS

- Yacht offering gaining popularity
- Developing new concepts and menus to target high-end corporate customers
- Enlarged culinary team led by an executive chef
- Winner of SPBA Promising Award, Promising SME 500 Awards, SME ONE Asia

HIGHLIGHTS FOR FY2014

Sales ⬆ 31.4% (FY2014 vs FY2013)	14,771 MakanBox Orders ⬆25.5% (FY2013: 11,771)	851,904 guests served ⬆ 27.7% (FY2013: 667,245)


| Schools


|Churches


|Community Centres


|Government bodies

KEY DRIVERS
- Rise in number of repeat customers
- Higher demand for MakanBox
- Substantial growth in last-minute customers

NEW DEVELOPMENTS
- Regular introduction of new dishes
- New customers acquisition strategy through budget menu and promotions
- Launch of classic tea set
- Introduction of trial packages for new customers

HIGHLIGHTS FOR FY2014

Tingkat Services and Economical Buffets	Launch of Fourth Brand in March 2014	Healthy Bites for Mass Market & Households

KEY DRIVERS

- Launched as part of our commitment to continual customer satisfaction
  - Cater to a wider target audience, whilst keeping a clear focus and commitment in bringing quality and fresh food to all our customers
- Increasing trend given rise in dual income families

NEW DEVELOPMENTS

- To create new menus and concepts to capture this market segment
- New customers acquisition strategy through budget, fixed menus

FOOD RETAIL

HIGHLIGHTS FOR FY2014

Delivery

- Online Order System well received
- Japanese Mini Buffet Catering gaining popularity
- ⬆ 51.4% delivery sales

⬆ **15.6%**
Sales

Retail

- Launched designer sushi workshop
- Live Sushi Stations with Chef for corporate functions
- ⬆ 9.3% same-outlet sales
- 22 outlets in Singapore @ 31 January 2014
- 1 licensed outlet in Jakarta, Indonesia

umisushi

EXPANDING LOCALLY AND OVERSEAS

NEO GROUP 梁苑集团

2 central kitchens
- East
- West

23 outlets @ 31 Jan 2014
- Opened 6 outlets and discontinued 2 outlets upon expiry of tenancy agreement

6 additional outlets
- PoMo Mall
- NTU
- NUH
- Rivervale Plaza
- Hougang Mall
- Funan

30 outlets by 2016

✓ **Opened first "umisushi" outlet in Jakarta, Indonesia in July 2013**

FOOD AND CATERING SUPPLIES

IMPORTING FROM AROUND ASIA

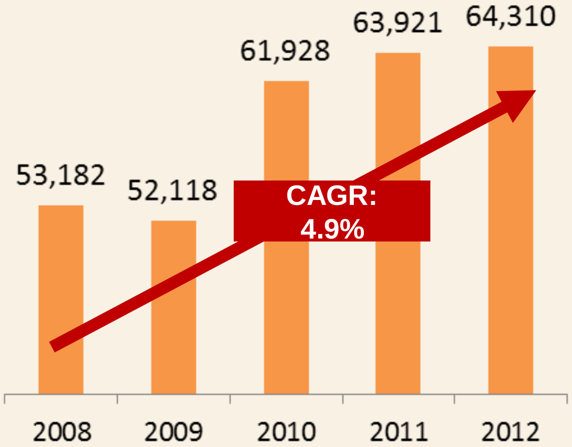
- Improved cost control through bulk purchases
- Effective pricing strategy
- Better manage cost fluctuations
- Quality assurance
- Self-supporting efficiency
- Sales to third parties
  – For continued growth

SUSTAINABLE FUTURE

FAVOURABLE EXTERNALITIES

NEO GROUP 梁苑集团

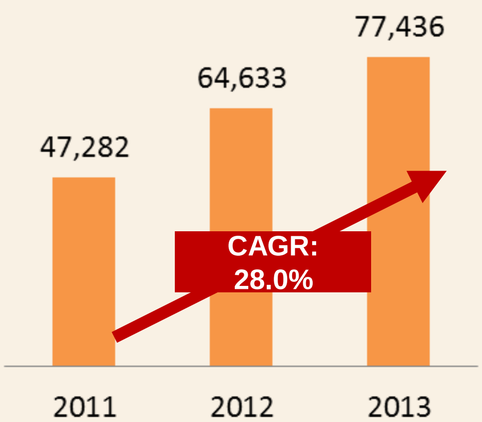
Growing GNI per Capital Increasing Affluence



Source: Singstat

- Increasing propensity to spend on occasions and events

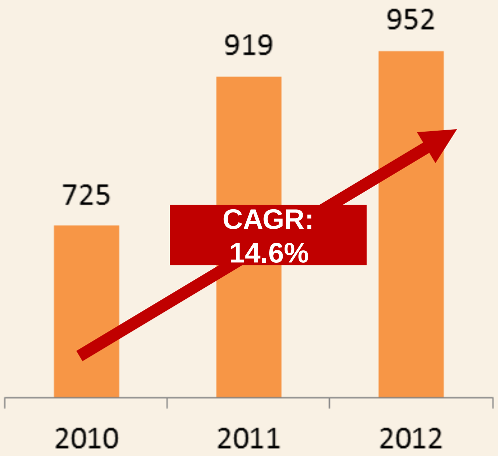
More HDB flats under construction



Source: HDB Annual Report 2012 & 2013

- More flats expected to be completed in 2014 and beyond

Growing MICE events



Source: Singapore Tourism Board

- Demand for event catering services expected to increase

FUTURE PLANS

ONGOING EFFORTS TO CONSOLIDATE BUSINESS OPERATIONS

NEO GROUP 梁苑集团

Capacity: 10,000 to 15,000 guests/day

Current Phase @ 6A Wan Lee Road

Built-in floor area: 12, 346 sq ft

Capacity: 15,000 to 20,000 guests/day

Phase 2 @ 1 Enterprise Road

5 units | Total land area: approx. 75,018 sq ft
Built-in area: approx. 57,111 sq ft

Use: Corporate headquarters + consolidated base for most of our central kitchens, offices, warehouses and logistics operations

Key Advantages:

- Significant cost savings
- Operational synergies
- Capture the growth opportunities and higher yielding business areas that will utilise the full value chain of our business

Capacity: 20,000 to 30,000 guests/day

Phase 3 @ 30B Quality Road

Land area: approx. 122,150 sq ft
Proposed Built-in area: approx. 300,000 sq ft
Status: Pending approval for a 30-year lease term

CLEAR GROWTH STRATEGIES

FOOD CATERING

Innovate

New catering brands

New catering concepts

- Enhancement of menus at various pricing levels

Expand

Sales team

Delivery fleet

Explore

Local M&A opportunities

Overseas joint ventures

Opportunities as venue operator/caterer

FOOD RETAIL

Open **more outlets**

Explore **franchise opportunities** for umisushi in Singapore

Develop and launch **new concepts**

Increase delivery fleet

FOOD & CATERING SUPPLIES

Expand services to external parties

Increase product range

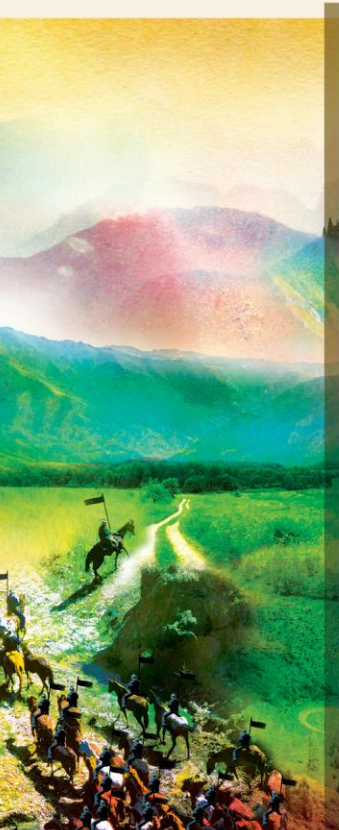
Positive and confident about industry outlook

WHY INVEST IN NEO GROUP?

IN SUMMARY…

Operational efficiencies driven by **Mechanisation** and **Automation**	**Strong Brand Recognition**	**Capacity Increase** to drive **Economies of Scale**	**SOUND FUNDAMENTALS**
Over 12% net profit margin for FY2014	**Over 100%** growth in net profit for FY2014	Record Dividend Payout of at least **60%** of net profits till FY2015	**SOLID PERFORMANCE**
Largest catering group with leading market share*	**Over S$300 million** catering industry*	**Growth strategies in-place** to increase market share	**SUSTAINABLE FUTURE**

Source: Events Catering Services Singapore – Euromonitor International, April 2012



THANK YOU