

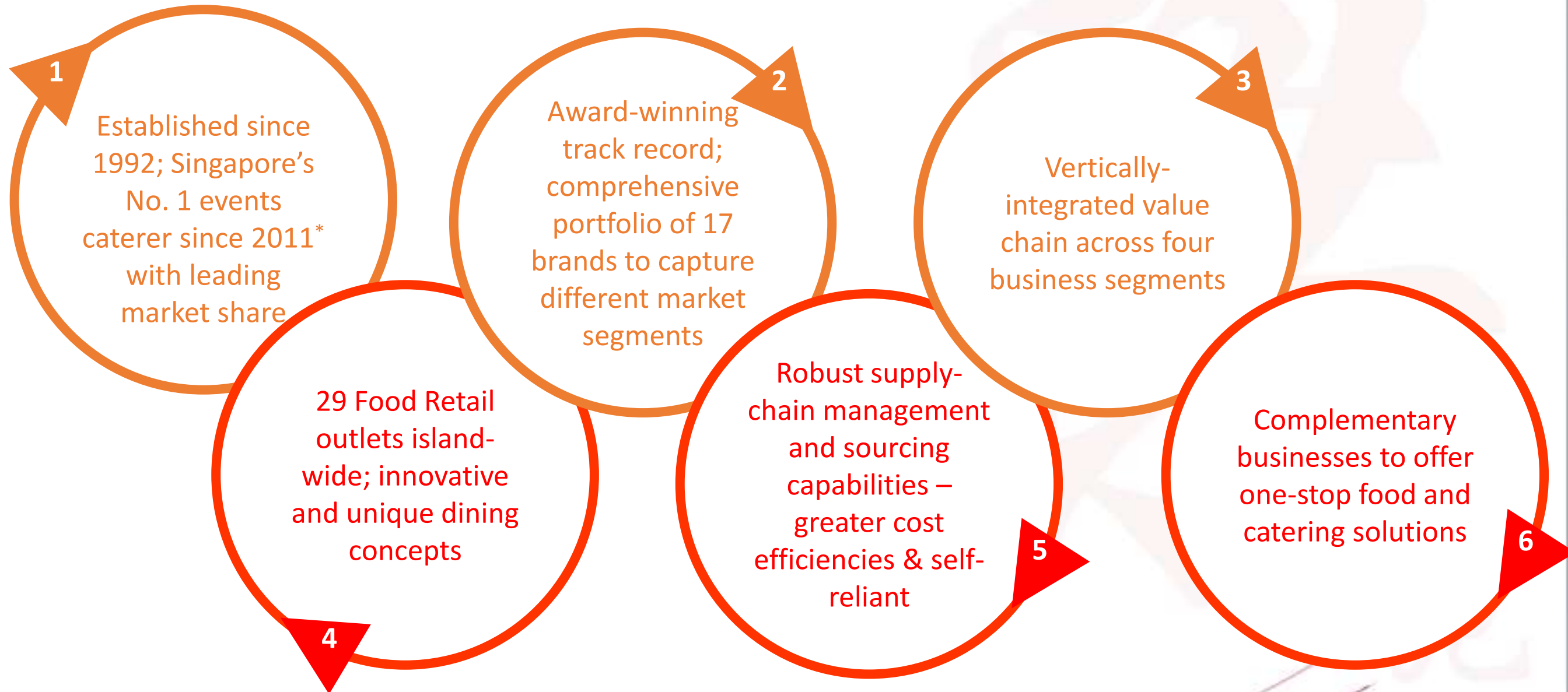


1H2016 INVESTORS' BRIEFING

10 December 2015



NEO GROUP – OVERVIEW



**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*

NEO GROUP – MILESTONES

Singapore's Number 1 Events Caterer*



1992

Neo Garden Restaurant was set up in a humble 2,000 sq ft shared kitchen in Joo Chiat.



1994

Neo Garden shifted its operations to a coffee shop in Jurong West Blk 406, spanning 4,000 sq ft.



2004

The company shifted to its expanded new premises of 7,600 sq ft. Deli Hub Catering, a Halal-certified caterer, was set up.



2007

umisushi, a Japanese quick and convenient dining concept opened its doors at Eunos MRT station. Today, we have 25 outlets island-wide.



2008

Orange Clove, an East-West fusion catering brand, was added to cater to the mid-tier and premium markets.



2015

Thong Siek Holdings, who owns popular brand DoDo Fish Ball, and CT Group, a leading trader of more than 300 varieties of fruits and vegetables, became part of the Group.



2014

Additions of Choz and Fu Yuan bring a serving of sweetness and tradition with their array of gift packages and authentic Nonya kuehs.



2013

The Group consolidates its operations at its corporate headquarters and central kitchen at 1 Enterprise Road, spanning 76,000 sq ft. The new premises feature a semi-automated kitchen.



2012

Neo Group Limited was listed on SGX Catalyst in July 2012.



2011

Neo Group acquired a plot of land at 30B Quality Road for further development, expanding its premises to 300,000 sq ft.



2010

NKK Import & Export Trading was set up to source for ingredients of premium quality and value, direct from distributors.

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**RECENT
DEVELOPMENTS
ENHANCED
VALUE CHAIN**



UPSTREAM ACQUISITIONS



THONG SIEK HOLDINGS (“TSH”)

- Neo Group’s first major acquisition; owns 55%-stake in parent company of popular “DoDo” brand of fishballs
- Largest fishball manufacturer in Singapore
- Strong brand recognition for quality fishball and recognised as “Fishball King”

Synergies from TSH:

- Leverage on TSH’s expertise in food manufacturing to fully automate Neo Group’s central kitchen’s operations
- Expands Neo Group’s customer base and broaden market reach
- Access to large global distribution network across 22 countries

Synergies from Neo Group:

- Leverage on Neo Group’s Food Retail expertise to create new B-to-C income streams
- Sourcing capabilities to provide economies of scale and cost savings
- Strong marketing/branding capabilities
- Increase in internal cross-selling opportunities

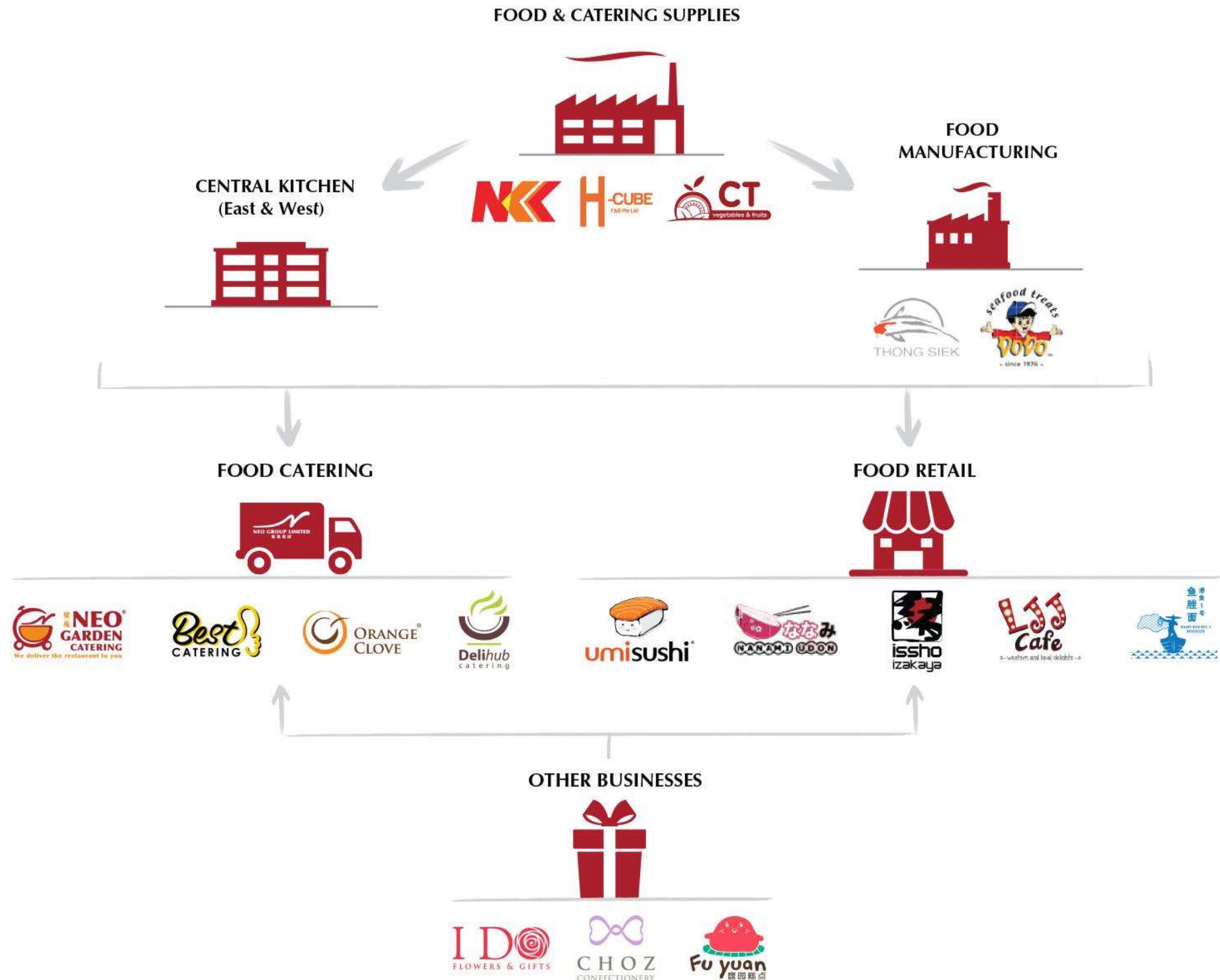
UPSTREAM ACQUISITIONS



CT VEGETABLES & FRUITS PTE LTD (“CT Group”)

- Acquired 90%-stake in fruits and vegetables trader for S\$5.4 million (S\$4.8 million in cash and S\$600,000 in shares) on November 3, 2015
- Established business with wide customer base accumulated over two decades
- Currently trades more than 300 varieties of fruits and vegetables
- Enhance sourcing capabilities of Neo Group’s Food and Catering Supplies business to lower food supply costs
- Reduces reliance on third-party suppliers
- Business opportunities from external parties to create new income streams

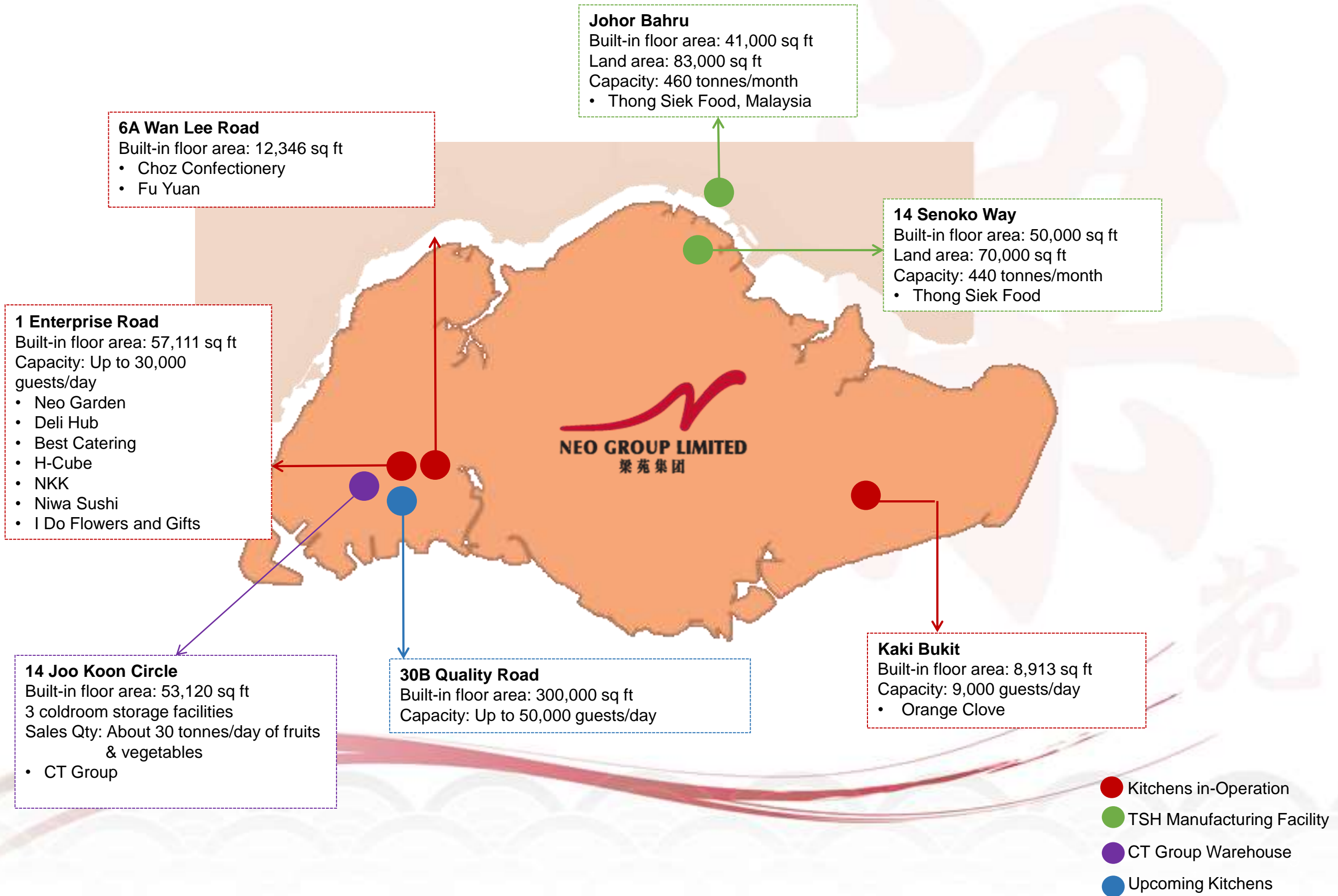
VERTICALLY-INTEGRATED VALUE CHAIN



OVERVIEW: VARIOUS BRANDS TO CAPTURE DIFFERENT MARKET SEGMENTS

FOOD CATERING	FOOD RETAIL	FOOD MANUFACTURING	FOOD AND CATERING SUPPLIES
 <p>NEO GARDEN CATERING We deliver the restaurant to you NO. 1* CATERER IN SINGAPORE</p>  <p>ORANGE CLOVE</p>  <p>Delihub catering</p>  <p>Best CATERING</p>	 <p>umisushi</p>  <p>issho izakaya</p>  <p>NANAMI UDON</p>  <p>LJ Cafe —western and local delights—</p>  <p>港角1号 鱼胜面 KANG KAR NO. 1 NOODLES</p>	 <p>THONG SIEK</p>  <p>seafood treats DODO™ ~ since 1976 ~</p>	 <p>NKK Import & Export Trading</p>  <p>H-CUBE F&B Pte Ltd</p>  <p>CT vegetables & fruits</p>
			OTHERS
			 <p>CHOZ CONFECTIONERY</p>  <p>Fu yuan 馥园糕点</p>  <p>IDO FLOWERS & GIFTS</p>

KITCHENS & FACILITIES



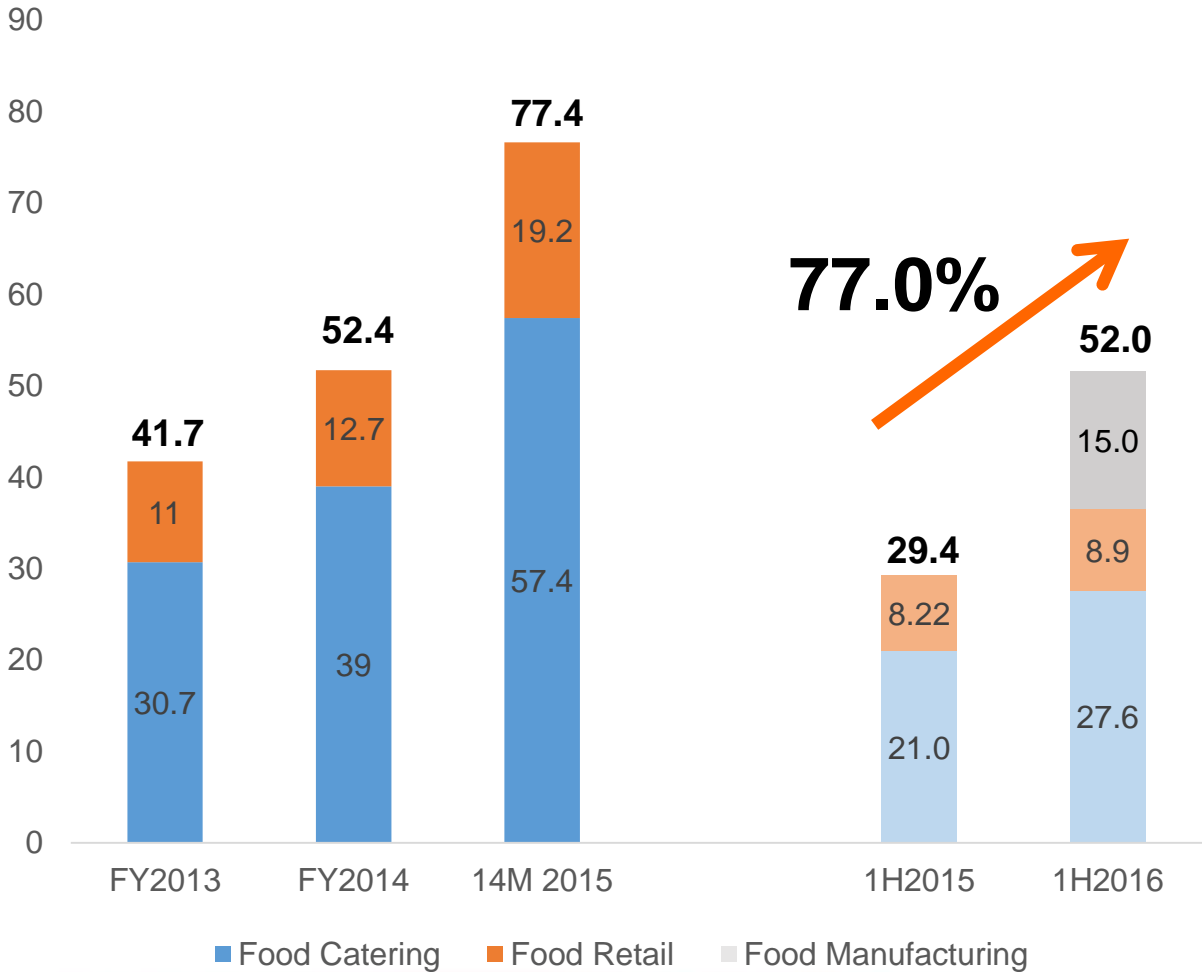
2Q2016/1H2016 FINANCIAL HIGHLIGHTS



CONSISTENT REVENUE GROWTH

**REVENUE SURGES 88.8% TO S\$31.3M IN 2Q2016;
GROWS 77.0% TO S\$52.0M IN 1H2016**

Revenue (\$'m)



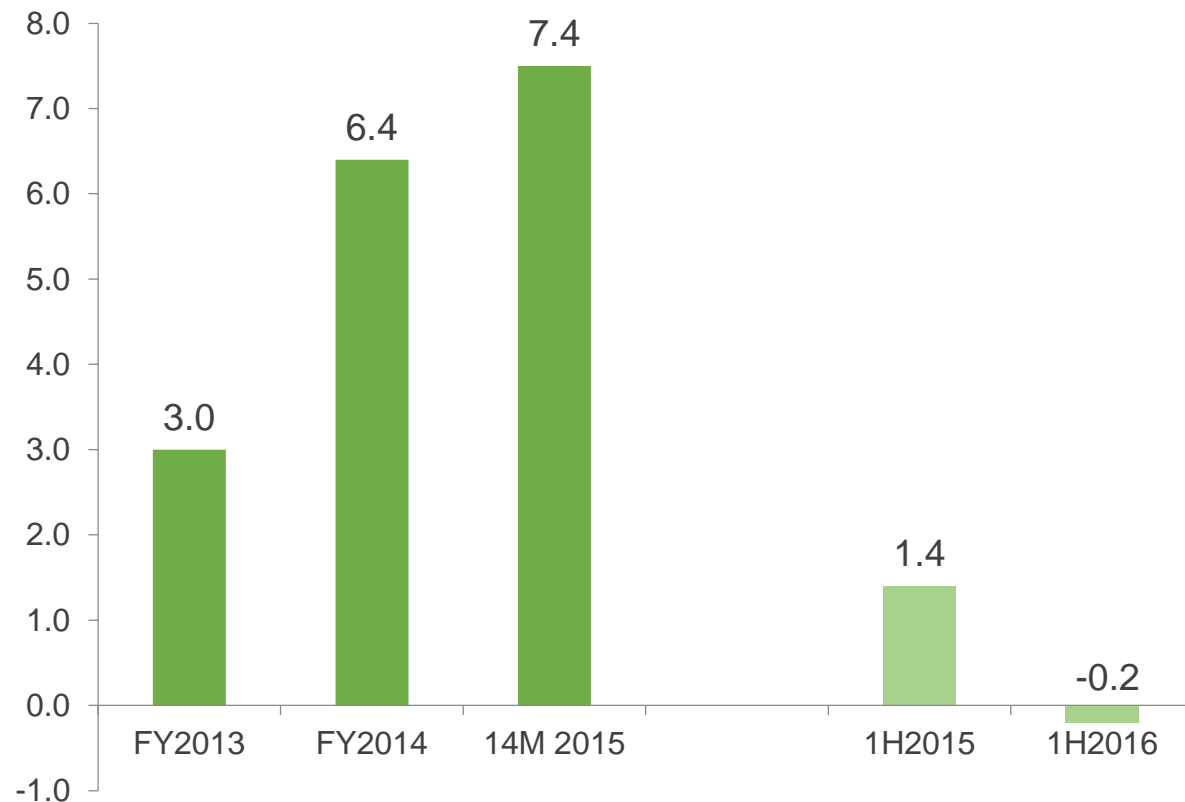
Strong topline growth lifted by:

- S\$11.5 million revenue contribution in 2Q2016 from newly-acquired Food Manufacturing subsidiary, TSH (1H2016: S\$15.0 million)
- 31.1% growth in Food Catering 2Q2016 revenue (1H2016: 31.6%)
- Improved performance across all business segments

1H2016 BOTTOM-LINE

NET PROFIT IMPACTED BY BUSINESS EXPANSION ACTIVITIES; INVESTING IN SUSTAINABLE LONG-TERM GROWTH

Profit After Tax (\$'m)



- Loss after tax of S\$349,000 and S\$208,000 in 2Q2016 and 1H2016, respectively
- Bottomline mainly impacted by business expansion costs:
 - Maiden full-quarter consolidation of TSH financials resulting in substantial rise in expenses
 - Recent business expansion activities in 1H2016 also led to increase in professional and legal fees, training and IT expenses
- The Group will work towards integrating new subsidiaries to reap synergies and enhance economies of scale while focusing on turning around TSH's performance

FINANCIAL HIGHLIGHTS

S\$'m	1H2016 (Unaudited)	1H2015 (Audited)
Earnings Per Share (SGD cents)	0.18	0.97
Net cash (used in)/from operating activities	(1.3)	3.6
Cash and cash equivalents at end of period	8.1	6.7
S\$'m	As at 30 Sep 2015 (Unaudited)	As at 31 Mar 2015 (Audited)
Shareholders' equity	24.1	24.2
Net Asset Value Per Share (SGD cents)	18.23	16.79
Net Gearing (%) ⁽¹⁾	71.3	45.9

1) Net Gearing is computed by net debt divided by shareholder's equity plus net debt

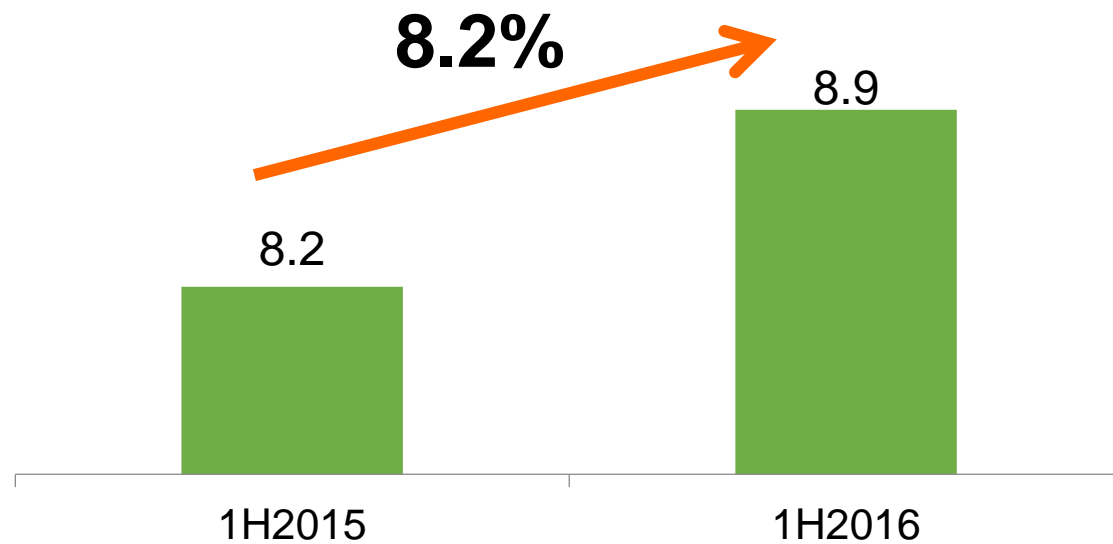
**BUSINESS
HIGHLIGHTS
FOOD RETAIL**



FOOD RETAIL – HIGHLIGHTS FOR 1H2016

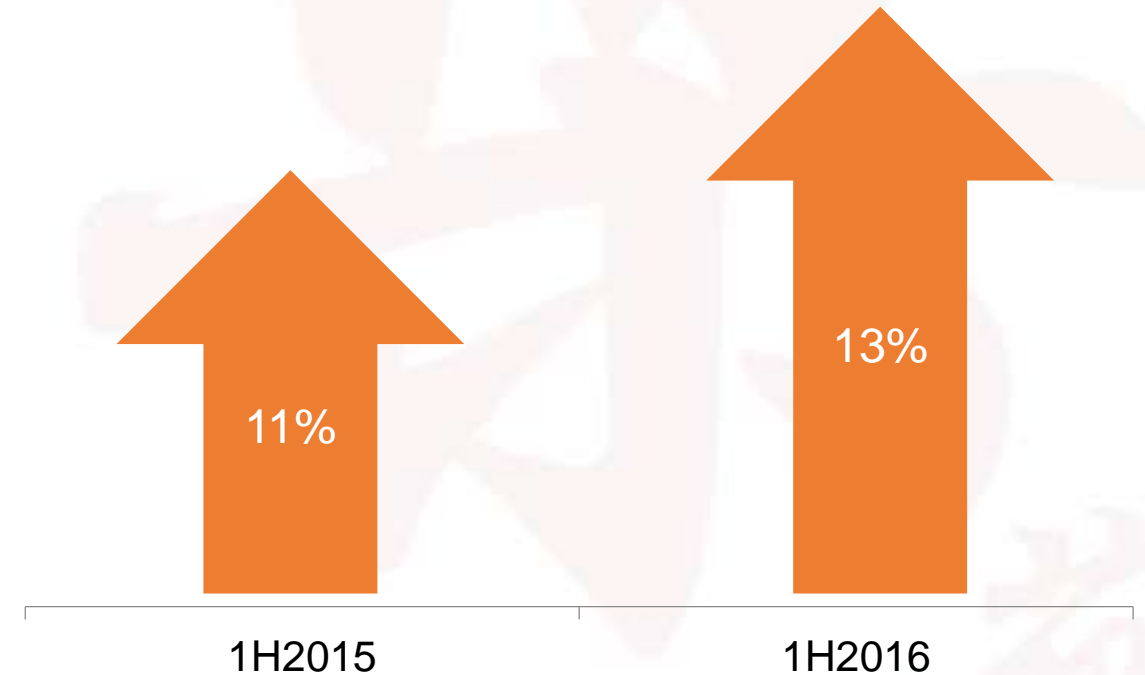
FOOD RETAIL: PERFORMANCE REVIEW

Food Retail Revenue (S\$m)



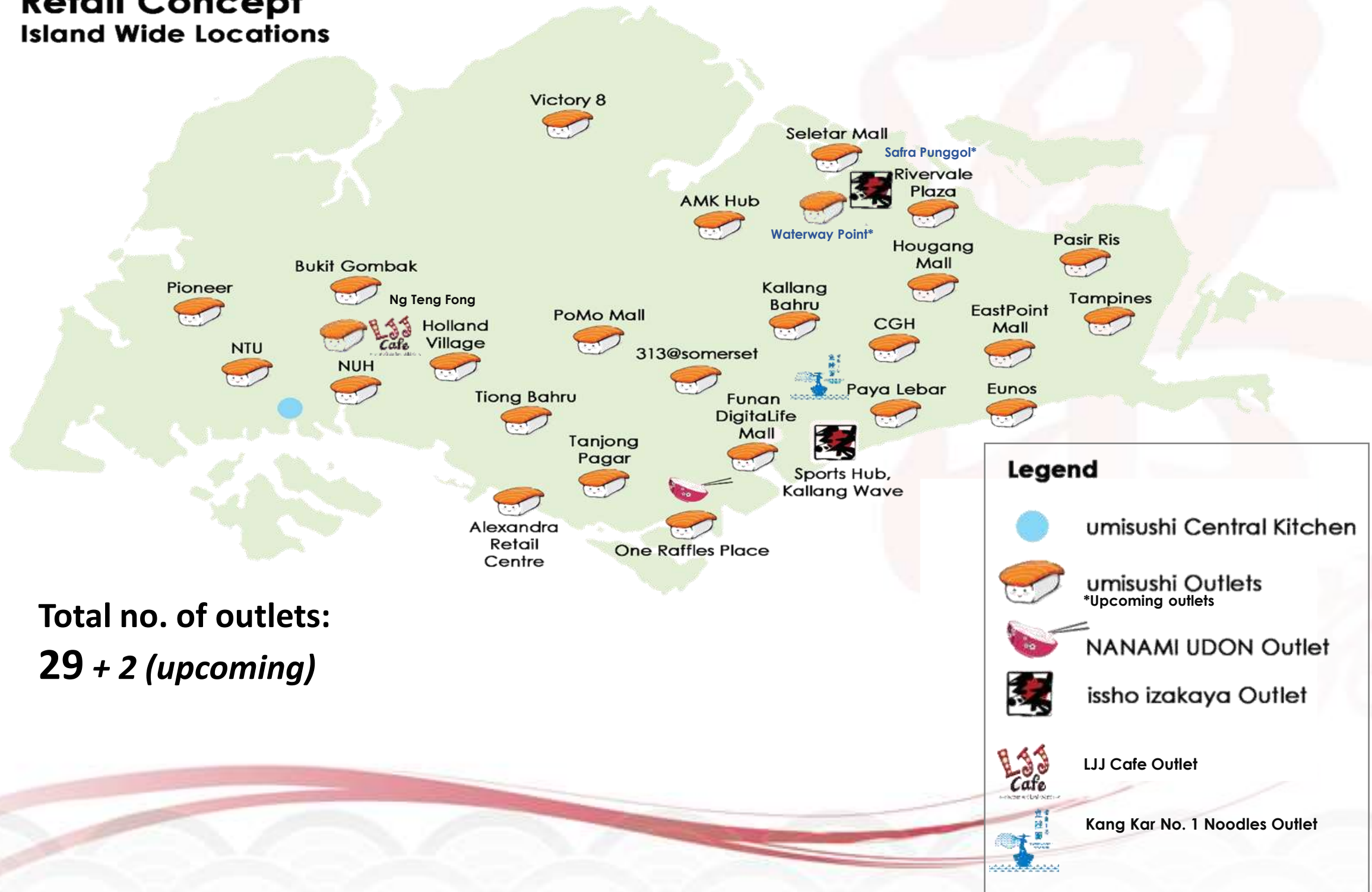
Food Retail Delivery Growth

(As % of Food Retail Revenue)



EXTENSIVE RETAIL NETWORK

Retail Concept Island Wide Locations



Total no. of outlets:
29 + 2 (upcoming)

FOOD RETAIL – HIGHLIGHTS FOR 1H2016

NEW DEVELOPMENTS



New Menus

- Introduced new umisushi menu– Donburi Sets, Toji Sets, Zosui (Japanese Porridge)

Delivery Sales

- Commenced delivery service to homes and offices in the vicinity
- Collaborate with external partners for delivery (e.g. Deliveroo)

Pursue corporate clients

- New tie-ups with banks, suppliers and corporate clients for loyalty programme

FOOD RETAIL – NEWLY LAUNCHED CONCEPTS

KANG KAR NO. 1 NOODLES



KEY BUSINESS DRIVERS:

1. Value-for-money traditional noodles – “S\$2 a bowl with adequate portions”
2. Healthier Choice – use of minced fish instead of minced meat
3. “Neighbourly” ambience
4. Creates new B-to-C income stream for TSH, bringing its flagship fishballs directly to consumers



NEW DEVELOPMENTS:

- Newly opened on November 2, 2015, located at 77 Circuit Road
- Introduced new variety of items to the menu, including “Minced fish soup with rice”
- Targeting to open second store in 1H2016

Retail Area: 600 sq ft
Seat Capacity: 40

FOOD RETAIL – NEWLY LAUNCHED CONCEPTS



LJJ CAFÉ



Retail Area: 2,292 sq ft
Seat Capacity: Up to 120

KEY BUSINESS DRIVERS:

1. Quaint setting with different themed cosy corners
2. Enjoy Western menu such as All Day Breakfast sets accompanied by a good local cuppa coffee
3. Specialising in Thin Crust Pizzas, Pasta & Baked Rice, Speciality Lamb Shank Stew

NEW DEVELOPMENTS:

- Newly opened on November 26, 2015
- Located at Ng Teng Fong General Hospital catering to office crowd, hospital staff and visitors

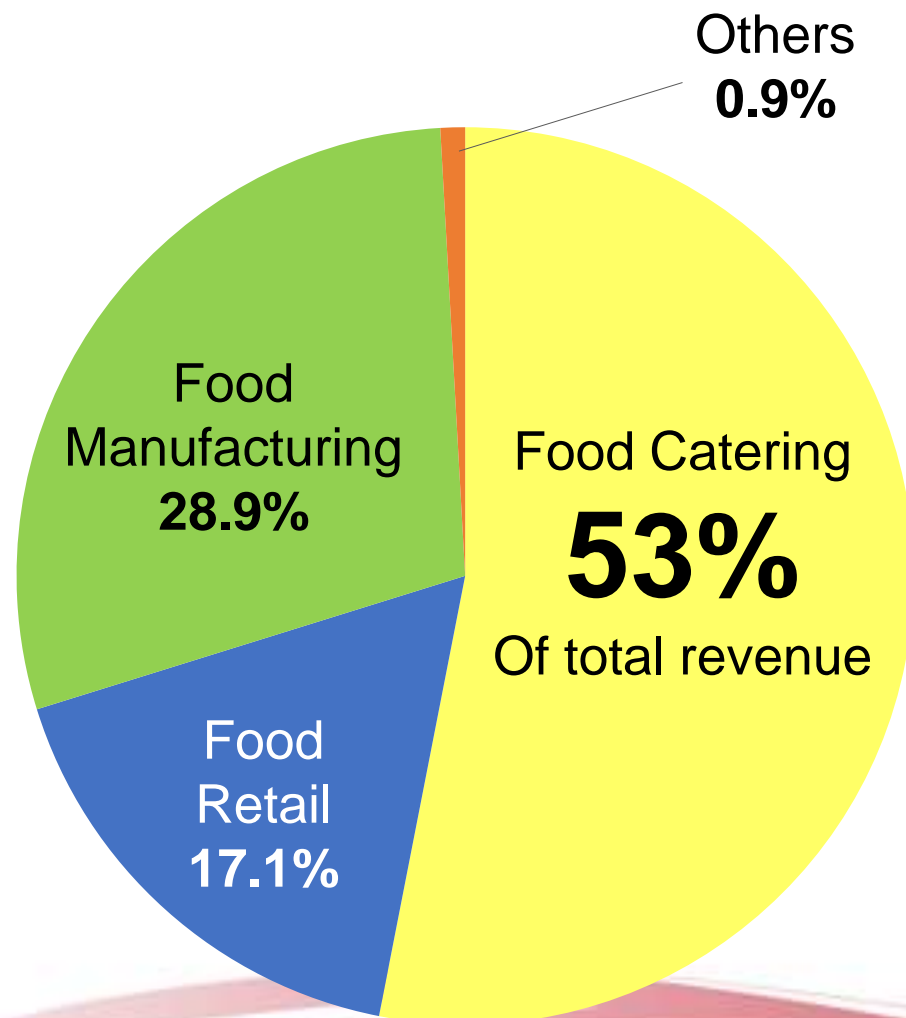
**BUSINESS
HIGHLIGHTS
FOOD CATERING &
OTHER BUSINESSES**



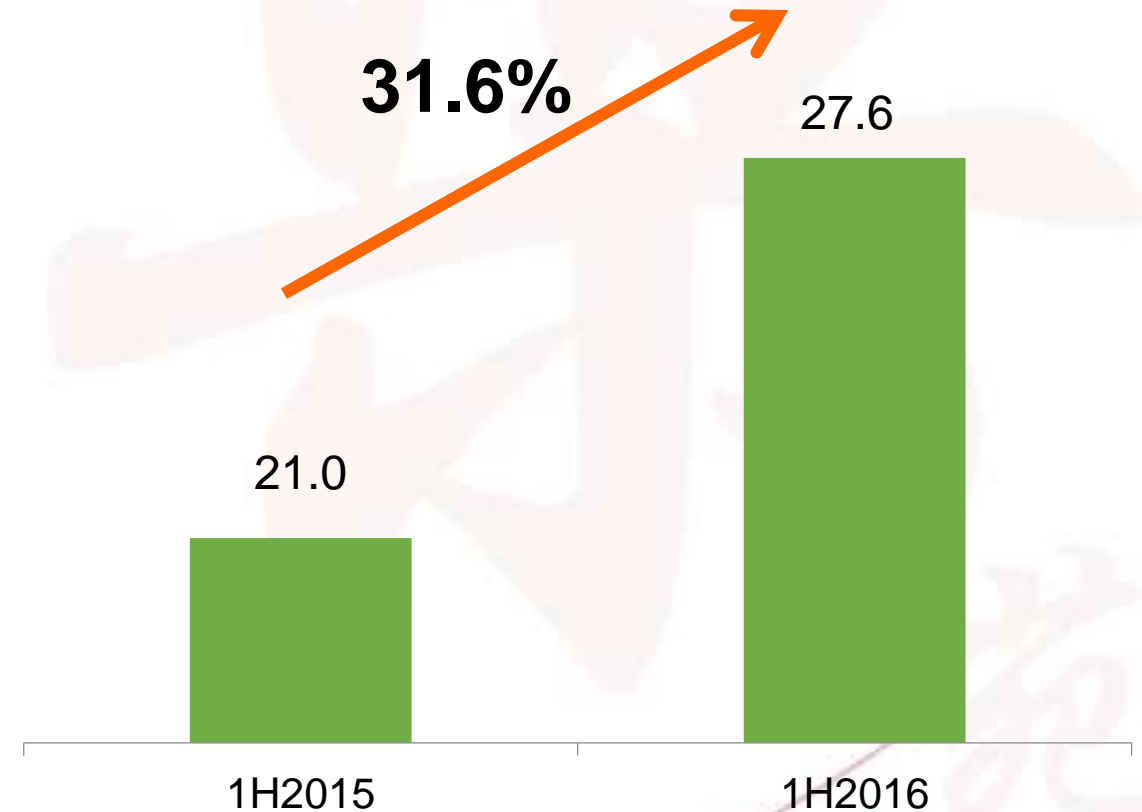
FOOD CATERING – HIGHLIGHTS FOR 1H2016

FOOD CATERING: PERFORMANCE REVIEW

Largest Revenue Contributor (1H2016)



Food Catering Revenue (S\$m)



FOOD CATERING – HIGHLIGHTS FOR 1H2016

NEW DEVELOPMENTS



Refreshed Product Offerings

Keeping consumers engaged

- New SG50 promotions and Hawker Delights menu to target household market
- New range of wedding menus to capture wedding market segment
- Healthier Tingkat offerings appealing to the health-conscious

Pursue Corporate Clients

Sustainable income stream

- Appointed official F&B caterer for Standard Chartered Marathon 2015 and Changi Civil Service Club
- Secured 25 corporate clients to-date including iFly, SCAPE & NSRCC

Award Recognition

Reinforcing our brands

- Winner Influential Brand 2015 (Top 1 Brand)
- Excellent Service Award (2015)
- Outstanding Caterer of the Year 2015 by World Gourmet Summit
- HRM Asia Best Corporate Caterer, Singapore Prestige Brand Award (Overall Winner)

OTHERS – HIGHLIGHTS FOR 1H2016

NEW DEVELOPMENTS



Choz Confectionery	Fu Yuan	I Do Flowers & Gifts
<ul style="list-style-type: none">• Endorsed by MediaCorp YES 933 DJ Lim Pei Fen	<ul style="list-style-type: none">• Introduced healthier choice <i>kueh</i>	<ul style="list-style-type: none">• Partnered with wedding vendors
<ul style="list-style-type: none">• Exhibited at SuperMom Bazaar 2015	<ul style="list-style-type: none">• Launched convenient party sets	<ul style="list-style-type: none">• Introduced festive hampers for CNY & Christmas

NEW INNOVATIVE PRODUCT LINES

1ST Fishball manufacturer to receive the AVA Food Safety Excellence Award (Gold) – Grade “A” for **15 consecutive years**



SG50 Commemorative fishballs

Four unique flavours to represent each race:

- Chilli Crab – culinary invention by the Straits Chinese
- Chicken Rendang – tantalising Malay signature
- Chicken Curry – Indian staple
- Chicken Stew – Eurasian specialty with a dash of local spices



Fischeon – The healthier choice

- Contains Omega 3
- No Trans Fat
- High in Protein
- No Colouring Added
- No Preservatives Added
- Made from Sardine and Tuna – naturally rich in Omega-3 and protein
- No colouring & preservatives
- Halal-certified
- 3 flavours – Original, Black Pepper and Light, which is endorsed by the Singapore Health Promotion Board as the “Healthier Choice “



Premium fishball product line

- Crab Bites – herbs and spices are added to enhance the flavor of the crab meat
- Tako Bites with Wasabi – For wasabi fans; a perfect combination of crunchy tako and wasabi
- Turkey Bites with Cheese – melted cheese to elevate multiple layers of flavour

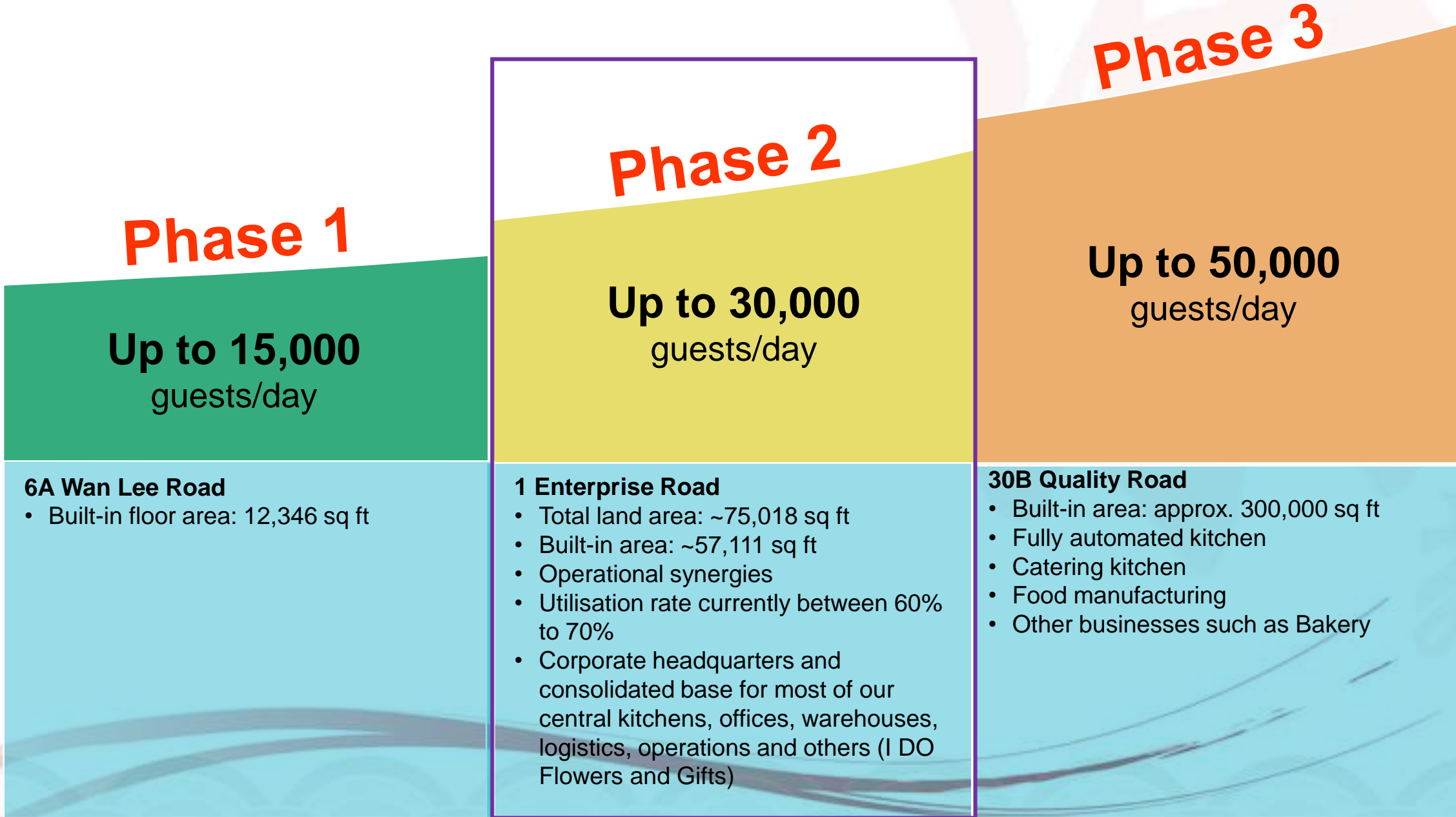
OUTLOOK AND PLANS AHEAD



FUTURE PLANS

ONGOING EFFORTS TO STREAMLINE BUSINESS OPERATIONS

OPERATIONAL SINCE EARLY-2015



CLEAR GROWTH STRATEGIES

Capture Market Share

Pursue Top-line Growth

- **Food Catering:** Leverage on strong brands and integrated value chain
- **Food Retail:** Introduce new innovative and fresh concepts
- **Food Manufacturing:** Focused efforts to turnaround profit while creating new recurring B-to-C income for TSH
- **Food & Catering Supplies:** Enhance sourcing capabilities for greater economies of scale and reduced reliance on third-party suppliers

Drive Internal Efficiencies

Driving Margin Efficiencies

- Greater adoption of technology and innovation for better cost management
- Ramp up productivity and utilisation rate at Enterprise Road central kitchen
- Centralised procurement for all businesses including TSH

Expansion

Expansion

- Fine-tune Food Retail business models, expand retail network and delivery fleet
- Leverage on TSH's global distribution network of 22 countries
- Continue to seek out suitable M&A targets complementary to our businesses

WHY INVEST IN NEO GROUP?



INVESTMENT MERITS

1 Strong Brand Recognition

- Singapore's No. 1 event caterer for five consecutive years since 2011
- Largest catering group capturing 10% market share of \$360M catering industry*

2 Strong Revenue Growth

- Pursuing both organic and inorganic growth (through strategic revenue-accretive M&A opportunities)

3 Integrated Value Chain

- Central Kitchen + Manufacturing Facilities + Food & Catering Supplies to support Food Catering, Food Retail and other complementary businesses
- Reap synergies and economies of scale

4 Clear Growth Strategies

- Diversification through M&A of companies with strong focus in food
- Leverage on TSH's international presence to expand into overseas markets and expertise in food manufacturing to automate kitchen
- Exploring opportunities to create new recurring income streams

5 Multiple Product Lines to Capture Various Market Segments

- 4 catering brands to capture mass to high-end market segment
- 5 food retail brands to offer unique concepts

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THANK YOU

