

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR 14 MONTHS ENDED 31 MARCH 2015

PART I – INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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 financial period from 1 February 2014 to 31 March 2015 (“14M 2015”). The figures presented below have not been audited.

Consolidated Statement of Comprehensive Income

	Group		
	14M 2015 ⁽¹⁾ (Unaudited) \$'000	FY 2014 ⁽²⁾ (Audited) \$'000	Increase / (Decrease) %
Revenue	77,401	52,358	47.8%
Other items of income			
Interest income	13	18	-27.8%
Other income	2,174	893	143.4%
Items of expense			
Purchases and consumables used	(22,872)	(16,268)	40.6%
Changes in inventories	325	308	5.5%
Delivery expenses	(2,581)	(1,676)	54.0%
Employee benefits expense	(25,066)	(15,806)	58.6%
Depreciation and amortisation expenses	(4,177)	(2,032)	105.6%
Advertising expenses	(3,024)	(1,913)	58.1%
Operating lease expenses	(5,244)	(3,256)	61.1%
Utilities	(1,740)	(1,376)	26.5%
Other expenses	(5,927)	(4,210)	40.8%
Finance costs	(452)	(189)	139.2%
Profit before income tax	8,830	6,851	28.9%
Income tax expense	(1,427)	(453)	215.0%
Profit for the financial period/year	7,403	6,398	15.7%
Other comprehensive income:			
Items that will or may be reclassified subsequently to profit or loss			
Loss on fair value changes of available-for-sale financial asset	(23)	(207)	-88.9%
Income tax relating to items that will or may be reclassified	-	-	N.M.
Other comprehensive income for the financial period/year, net of tax	(23)	(207)	-88.9%
Total comprehensive income for the financial period/year	7,380	6,191	19.2%
Profit attributable to owners of the parent	7,403	6,398	15.7%
Total comprehensive income attributable to owners of the parent	7,380	6,191	19.2%

1(a)(i) Consolidated Statement of Comprehensive Income (Continued)

Note:

1. "14M2015" denotes 14 months financial period from 1 February 2014 to 31 March 2015 due to the changed in the Company's financial year end (please refer to the announcement reference no. SG140516OTHR8KP9 dated 16 May 2014).

2. "FY2014" denotes financial year ended 31 January 2014.

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

Profit for the financial period/year is arrived at after crediting / (charging):

	Group		
	14M2015 ⁽¹⁾ (Unaudited) \$'000	FY2014 ⁽²⁾ (Audited) \$'000	Increase / (Decrease) %
Interest income	13	18	-27.8%
Advertising sponsorship income	-	46	-100.0%
Over-provision of income tax expense in prior financial years	53	510	-89.6%
Dividend income	34	11	209.1%
Gain on disposal of property, plant and equipment	456	1	N.M.
Government grants	1,073	433	147.8%
Rental income	228	168	35.7%
Allowance for impairment loss on third parties trade receivables	-	(21)	-100.0%
Allowance for impairment loss on third parties trade receivables written-back	13	-	N.M.
Bad third parties trade receivables written-off	(1)	(3)	-66.7%
Bad third parties non-trade receivables written-off	-	(8)	-100.0%
Depreciation of property, plant and equipment	(4,062)	(1,988)	104.3%
Depreciation of investment properties	(48)	(42)	14.3%
Amortisation of intangible assets	(67)	(2)	N.M.
Plant and equipment written-off	(90)	(35)	157.1%
Inventories written down	8	-	N.M.
Finance costs	(452)	(189)	139.2%

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.

Statement of Financial Position

	Group As at		Company As at	
	31/03/2015 (Unaudited) \$'000	31/01/2014 (Audited) \$'000	31/03/2015 (Unaudited) \$'000	31/01/2014 (Audited) \$'000
Non-current assets				
Property, plant and equipment	36,014	27,954	13	4
Investment properties	1,064	1,501	-	-
Intangible asset	363	244	11	-
Investments in subsidiaries	-	-	6,586	5,686
Other receivables	197	-	-	-
Available-for-sale financial asset	671	693	671	693
	38,309	30,392	7,281	6,383
Current assets				
Inventories	1,542	1,130	-	-
Trade and other receivables	5,694	3,086	5,915	3,192
Prepayments	561	513	9	22
Cash and cash equivalents	7,601	8,460	678	1,415
	15,398	13,189	6,602	4,629
Asset classified as held for sale	788	-	-	-
	16,186	13,189	6,602	4,629
Less:				
Current liabilities				
Trade and other payables	7,055	4,921	4,137	2,231
Provisions	313	207	-	-
Bank borrowings	5,256	1,269	-	-
Finance lease payables	578	111	-	-
Current income tax payable	1,402	1,491	23	23
	14,604	7,999	4,160	2,254
Net current assets	1,582	5,190	2,442	2,375
Less:				
Non-current liabilities				
Bank borrowings	14,963	14,888	-	-
Finance lease payables	342	-	-	-
Deferred tax liabilities	407	209	-	-
	15,712	15,097	-	-
	24,179	20,485	9,723	8,758
Capital and reserves				
Share capital	6,399	6,399	6,399	6,399
Merger reserves	(326)	(326)	-	-
Fair value adjustment account	(230)	(207)	(230)	(207)
Retained earnings	18,336	14,619	3,554	2,566
Total equity attributable to owners of the parent	24,179	20,485	9,723	8,758

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

	As at 31/03/2015 (Unaudited) \$'000		As at 31/01/2014 (Audited) \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand				
Bank borrowings	2,256	3,000	1,269	-
Finance lease payables	578	-	111	-

Amount repayable after one year

	As at 31/03/2015 (Unaudited) \$'000		As at 31/01/2014 (Audited) \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year				
Bank borrowings	14,963	-	14,888	-
Finance lease payables	342	-	-	-

Details of any collaterals:

As at 31 March 2015, the Group's borrowings comprising bank borrowings and finance lease payables were secured as follows:-

Bank borrowings

Bank borrowings of \$2.26 million repayable within one year or less or on demand, and \$14.96 million repayable after one year are both secured by the legal mortgage at 8A Admiralty Street #06-01 and #06-02 with carrying amount of \$1.06 million; 5 units of leasehold properties at Enterprise Road with a total carrying amount of \$13.21 million, and land held for development at 30B Quality Road with a total carrying amount of \$8.86 million.

Finance lease payables

The Group's obligations under finance leases of \$0.58 million repayable within one year or less and \$0.34 million repayable after one year are secured by the lessor's title to the leased assets, which have carrying amounts of \$2.38 million as at the end of the current financial period.

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

Consolidated Statement of Cash Flows	14M 2015 (Unaudited) \$'000	FY 2014 (Audited) \$'000
Operating activities		
Profit before income tax	8,830	6,851
Adjustments for:		
Inventories written down	8	-
Allowance for impairment loss on third parties trade receivables	-	21
Bad third parties trade receivables written-off	1	3
Bad third parties non-trade receivables written-off	-	8
Depreciation and amortisation expenses	4,177	2,032
Gain on disposal of property, plant and equipment	(456)	(1)
Plant and equipment written off	90	35
Interest income	(13)	(18)
Interest expense	452	189
Dividend income	(34)	(11)
Operating cash flows before working capital changes	13,055	9,109
Working capital changes:		
Inventories	(420)	(427)
Trade and other receivables	(2,832)	(1,236)
Prepayments	(47)	(196)
Trade and other payables	2,134	626
Provisions	(58)	-
Cash generated from operations	11,832	7,876
Income taxes paid	(1,319)	(16)
Net cash from operating activities	10,513	7,861
Investing activities		
Purchase of property, plant and equipment	(11,332)	(15,048)
Purchase of intangible assets	(186)	(246)
Purchase of available-for-sale financial asset	-	(900)
Proceeds from disposals of property, plant and equipment	901	2
Interest received	15	16
Dividend received	34	11
Net cash used in investing activities	(10,568)	(16,165)
Financing activities		
Fixed deposit pledged with bank	12	-
Drawdown of bank borrowings	7,844	11,100
Repayment of bank borrowings	(3,783)	(2,393)
Repayment of finance lease payables	(769)	(372)
Dividends paid	(3,686)	(3,124)
Interest paid	(409)	(179)
Net cash (used in)/from financing activities	(791)	5,032
Net change in cash and cash equivalents	(847)	(3,273)
Cash and cash equivalents at beginning of financial period/year	8,409	11,682
Cash and cash equivalents at end of financial period/year	7,562	8,409

Cash and cash equivalents comprise:

Group as at		
31/03/2015 (Unaudited) \$'000	31/01/2014 (Audited) \$'000	
Cash and bank balances	7,562	7,098
Fixed deposits	39	1,362
Cash and cash equivalents as per statement of financial position	7,601	8,460
Less: Fixed deposits pledged	(39)	(51)
Cash and cash equivalents as per consolidated statement of cash flows	7,562	8,409

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 Statements of Changes in Equity

Group	Share capital \$'000	Merger reserves \$'000	Fair value adjustment account \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
<u>Preceding Financial Year:</u>					
Balance at 1 February 2013	6,399	(326)	-	11,345	17,418
Profit for the financial year	-	-	-	6,398	6,398
Other comprehensive income:					
Loss on fair value changes of available-for sale financial asset	-	-	(207)	-	(207)
Total comprehensive income for the financial year	-	-	(207)	6,398	6,191
Distribution to owners of the parent:					
Dividends	-	-	-	(3,124)	(3,124)
Total transactions with owners of the parent	-	-	-	(3,124)	(3,124)
Balance at 31 January 2014	6,399	(326)	(207)	14,619	20,485
<u>Current Financial Period:</u>					
Balance at 1 February 2014	6,399	(326)	(207)	14,619	20,485
Profit for the financial period	-	-	-	7,403	7,403
Other comprehensive income:					
Loss on fair value changes of available-for sale financial asset	-	-	(23)	-	(23)
Total comprehensive income for the financial period	-	-	(23)	7,403	7,380
Distribution to owners of the parent:					
Dividends	-	-	-	(3,686)	(3,686)
Total transactions with owners of the parent	-	-	-	(3,686)	(3,686)
Balance at 31 March 2015	6,399	(326)	(230)	18,336	24,179

Statements of Changes in Equity

Company	Share capital \$'000	Fair value adjustment account \$'000	Retained earnings \$'000	Total equity attributable to owners \$'000
<u>Preceding Financial Year:</u>				
Balance at 1 February 2013	6,399	-	1,601	8,000
Profit for the financial year	-	-	4,089	4,089
Other comprehensive income:				
Loss on fair value changes of available-for-sale financial asset	-	(207)	-	(207)
Total comprehensive income for the financial year	-	(207)	4,089	3,882
Distribution to owners:				
Dividends	-	-	(3,124)	(3,124)
Total transactions with owners	-	-	(3,124)	(3,124)
Balance at 31 January 2014	6,399	(207)	2,566	8,758
<u>Current Financial Period:</u>				
Balance at 1 February 2014	6,399	(207)	2,566	8,758
Profit for the financial period	-	-	4,674	4,674
Other comprehensive income:				
Loss on fair value changes of available-for-sale financial asset	-	(23)	-	(23)
Total comprehensive income for the financial period	-	(23)	4,674	4,651
Distribution to owners:				
Dividends	-	-	(3,686)	(3,686)
Total transactions with owners	-	-	(3,686)	(3,686)
Balance at 31 March 2015	6,399	(230)	3,554	9,723

- 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 14M 2015.

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

	Company As at	
	31/3/2015	31/1/2014
Total number of issued shares excluding treasury shares	144,000,000	144,000,000

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

- 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 period 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 2014, except as detailed below.

On 1 August 2014, the Group changed its estimation on the useful life of motor vehicles from 6 to 10 years to better reflect the carrying amounts of its property, plant and equipment and its expected pattern of consumption of the future economic benefits embodied in motor vehicles. This change in accounting estimate has applied prospectively in profit or loss and the effect of change resulted in a reduction in depreciation expenses of approximately \$0.27 million during the financial period from 1 February 2014 to 31 March 2015.

5. **If there are 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.**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 February 2014. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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	
	31/3/2015 (Unaudited)	31/1/2014 (Audited)
Profit attributable to owners of the parent (\$'000)	7,403	6,398
Actual number of ordinary shares	144,000,000	144,000,000
Basic and diluted EPS based on actual number of ordinary shares (cents) ^{(1) (2)}	5.14	4.44

Notes:

- (a) The calculation for the basic and diluted EPS for the respective financial period/year is based on the actual number of ordinary shares in issue in the respective financial period/year.
- (b) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial period/year.

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	
	31/3/2015 (Unaudited)	31/1/2014 (Audited)	31/3/2015 Unaudited)	31/1/2014 (Audited)
NAV (\$'000)	24,179	20,485	9,723	8,758
Number of ordinary shares	144,000,000	144,000,000	144,000,000	144,000,000
NAV per ordinary share (cents)	16.79	14.23	6.75	6.08

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.**

The Group made a change of financial year from 31 January to 31 March in the current financial period, which covered a 14-month period ("14M 2015") whereas the prior financial year covers a 12-month period ("FY 2014"). As such, the percentage of increase in revenue and net profit compared with the previous year is partly due to the different length of the corresponding period.

Review of the Group's performance

8(a). Consolidated Statement of Comprehensive Income

Revenue

For the financial period ended 31 March 2015 ("14M 2015"), the Group registered \$77.40 million in revenue, an increase of \$25.04 million or 47.8%, as compared to \$52.36 million for the previous corresponding financial year ("FY 2014"). The increase was mainly driven by the growth in Food Catering Business which increased by \$18.37 million or 47.1% from \$38.99 million in FY 2014 to \$57.36 million in 14M 2015.

The Food Retail Business also increased by \$6.52 million or 51.6% from \$12.63 million in FY 2014 to \$19.15 million in 14M 2015. As at 31 March 2015, our Food Retail Business operated 25 outlets compared to 23 outlets as at 31 January 2014.

Other income

Other income was \$2.17 million in 14M 2015 as compared to \$0.89 million in FY 2014. It increased by approximately \$1.28 million or 143.4%. The increase was mainly due to a one-time gain of \$0.46 million on disposal of a leasehold property and \$1.07 million grants received from the government.

Purchases and consumables used

Purchases and consumables used increased by approximately \$6.72 million or 40.6% to \$22.99 million in 14M 2015 from \$16.27 million in FY 2014. The disproportionate increase was mainly due to increase in sales volume, higher food prices and consumables expenses, which was partially off-set by better cost control in the food catering business.

Delivery expenses

Delivery expenses increased by \$0.91 million or 54.0% to \$2.58 million in 14M 2015 as compared to \$1.68 million in FY 2014. This was mainly due to additional sub-contract drivers required to support the increase in the social, corporate and government sectors catering events.

Employee benefits expense

Employee benefits expense increased by approximately \$9.26 million or 58.6% to \$20.07 million in 14M 2015 as compared to \$15.81 million in FY2014. This was largely due to a planned addition of headcounts in the Group's Operations, Sales, Logistics and HR functions to support business growth, as well as upward revisions to salaries for employee and management in order to retain talent.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by \$2.15 million or 105.6 % from \$2.03 million in FY 2014 to \$4.18 million in 14M 2015. This was mainly attributable to the additions on renovation for leasehold properties at Enterprise Road and acquisition of plant and machinery during the financial period.

Advertising expenses

Advertising expenses increased by \$1.11 million or 58.1% from \$1.91 million in FY 2014 to \$3.02 million in 14M 2015. This was mainly due to costs incurred for the ASME awards, advertisement through more targeted marketing strategies such as radio, taxi and bus advertisement, and various promotions.

Operating lease expenses

Operating lease expenses increased by \$1.99 million or 61.1% from \$3.26 million in FY 2014 to \$5.24 million in 14M 2015. This was mainly due to the increase in land rent paid for the leasehold properties acquired during 14M 2015, rental of equipment, coldrooms and food retail outlets.

Utilities

Utilities increased by approximately \$0.36 million or 26.5% from \$1.38 million in FY 2014 to \$1.74 million in 14M 2015. This was due to the increase in utility bills as a result of increase in the number of food retail outlets and relocating of offices and central kitchens to a bigger premise at Enterprise Road.

Other expenses and Finance costs

Other expenses increased by \$1.72 million or 40.8% from \$4.21 million in FY 2014 to \$5.93 million in 14M 2015. This was largely attributed to the increase in professional and legal fees, credit card charges and low value assets items expensed off.

Finance costs increased by approximately \$0.26 million or 139.2% from \$0.19 million in FY 2014 to \$0.45 million in 14M 2015 mainly due to increased bank borrowings to finance the acquisition of plant and machinery during the financial period.

Profit before income tax

The Group's profit before income tax increased by \$1.98 million from \$6.85 million in FY 2014 to \$8.83 million in 14M 2015. The increase in profit before income tax was mainly due to a stronger performance from Food Catering Business.

Profit for the financial period/year

The Group posted an increase in profit of \$1.01 million or 15.7% to \$7.40 million for the 14M 2015 as compared to \$6.40 million in FY 2014.

8(b-1). Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets increased substantially by \$7.92 million from \$30.39 million as at 31 January 2014 to \$38.31 million as at 31 March 2015. This was mainly due to capital expenditure incurred in renovation of leasehold properties at Enterprise Road and to acquire plant & equipment. Investment properties decreased by approximately \$0.44 million due to disposal of a leasehold property and depreciation provided for the remaining properties. Intangible assets of \$0.12 million refer to capital expenditure for accounting software. Other receivables of \$0.20 million refer to a long-term loan advance to employees.

Current assets

The Group's current assets increased by \$2.21 million from \$13.19 million as at 31 January 2014 to \$15.40 million as at 31 March 2015. The Group's inventories increased by approximately \$0.41 million due to the higher inventory held in the Food and Catering Supplies business. The increase in our trade and other receivables of approximately \$2.61 million was mainly due to more deposits for outlets, hostel, utilities, and equipment. Cash and cash equivalents decreased by \$0.86 million.

The Group's asset classified as held for sale with a total carrying amount of \$0.78 million was subsequently disposed to a third party in April 2015 for cash consideration of \$0.90 million.

Current liabilities

The Group's current liabilities increased by \$6.60 million from \$8.00 million as at 31 January 2014 to \$14.6 million as at 31 March 2015. This was mainly attributable to an increase of \$3.99 million in current bank borrowings due to drawdown of a term loan to finance the acquisition of plant and machinery purchased, an increase of \$2.13 million in trade and other payables, and an increase of \$0.47 million in finance lease payable. Current income tax payable decreased by approximately \$0.09 million due to payment of prior year provision of income tax.

Non-current liabilities

The Group's non-current liabilities increased by \$0.62 million from \$15.10 million as at 31 January 2014 to \$15.71 million as at 31 March 2015 primarily due to the drawdown of a finance lease to acquire the plant and equipment during the financial period.

8(b-2). Consolidated Statement of Cash Flows

Net cash flows generated from operating activities of \$10.51 million during 14M 2015 mainly resulted from operating cash flows before working capital changes of \$13.04 million offset by an increase in net working capital of \$1.15 million, and income taxes paid of \$1.32 million.

The increase in net working capital was mainly due to the increase in inventories of approximately \$0.42 million and the increase in trade and other receivables of \$2.82 million, as well as the increase in prepayment of approximately \$0.05 million offset by the increase in trade and other payables of approximately \$2.13 million.

Net cash flows used in investing activities of \$10.57 million during 14M 2015 were mainly attributable to the acquisition of property, plant and equipment of \$11.33 million, the intangible assets of \$0.19 million on capital expenditure for accounting software, which is offset by the proceeds of \$0.90 million from disposal of property, plant and equipment.

Net cash flows used in financing activities of \$0.79 million during 14M 2015 were mainly due to the drawdown from bank borrowings of \$7.84 million, repayment of bank borrowings of \$3.78 million, dividend payment of \$3.69 million and interest payment of \$0.41 million.

Consequent upon the above factors, the net decrease in cash and cash equivalents during 14M 2015 was \$0.85 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 14M 2015 was generally in line with what was disclosed in the 6M2015 result announcement for the 6 months financial period ended 31 July 2014.

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 which we operate in is expected to remain positive. However, the Group expects the Food and Beverage industry to remain challenging due to rising costs, such as higher manpower cost, raw material cost and outlet rents. Currently, the Group is pending for the completion of acquisition and intends to expand into the food manufacturing business.

Our Food Catering Business will continue to grow as we increase our market share through increased marketing efforts. This is in line with the increase of capacity through expansion of the operation line at Enterprise Road.

As for our Food Retail Business, we will be consolidating its network of 25 umisushi outlets, while exploring opportunities to export its proven retail model overseas and we will continue to leverage on F&B to explore on the delivery services.

As a Group, we will continue to enhance our offering, further increase our customer base and reinforce our position in Singapore by jointly operating with our recently acquired subsidiaries. We will continue to look for suitable acquisitions, joint ventures and strategic alliances in order to give us access to new markets and customers.

Barring unforeseen circumstances and business conditions, the Group expects to continue to grow our business and remain profitable for the coming year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes

(b) (i) Amount per share

1.05 Singapore cents per share

(ii) Corresponding Period of the Immediately Preceding Financial Year

1.51 Singapore cents per share

(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 one-tier tax-exempt.

(d) The date the dividend is payable

The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting and the date of payment will 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

Name of interested person	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>)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than \$100,000)
	\$'000	\$'000
<u>Neo Kah Kiat</u>		
(i) GUI Solutions Pte Ltd		
- Cost of goods and services purchased	220	-
- Rental and utilities income	26	-
(iii) Office premise lease expense	98	-
<u>Neo Kah Kiat and Liew Oi Peng</u>		
(i) Office premise lease expense	257	-
(ii) Twinkle Investment Pte Ltd		
- Office premise lease expense	98	-
- Rental of yacht	280	-

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 fully utilised as follows:

Intended Usage in accordance with the Offer Document	Allocation (\$'000)	Amount utilised (\$'000)	Amount unutilised (\$'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	(1,600)	-
Total	6,600	(6,600)	-

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Segment Information

	Food catering business \$'000	Food retail business \$'000	Food and catering supplies \$'000	Other business \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
Group							
31 March 2015							
Revenue							
External Revenue	57,364	19,166	427	444	-	-	77,401
Inter-segment revenue	1	-	17,695	102	-	(17,798)	-
Total Revenue By Segment	57,365	19,166	18,122	546	-	(17,798)	77,401
Results							
Segment results	13,270	747	1,040	(390)	4,018	(5,619)	13,066
Interest income	9	-	-	-	4	-	13
Interest expenses	(370)	(22)	(36)	(24)	-	-	(452)
Depreciation of property, plant and equipment	(2,746)	(906)	(397)	(10)	(3)	-	(4,062)
Depreciation of investments properties	-	-	-	-	(48)	-	(48)
Amortisation of intangible assets	(46)	(5)	(10)	(3)	(3)	-	(67)
Plant and equipment written-off	(60)	(6)	(24)	-	-	-	(90)
Gain on disposal of property, plant and equipment	456	-	-	-	-	-	456
Allowance for impairment loss on third parties trade receivables written-back	13	-	-	-	-	-	13
<i>Other non-cash expenses:</i>							
- Bad third parties trade receivables written-off	1	-	-	-	-	-	1
Profit before income tax	10,527	(192)	573	(427)	3,968	(5,619)	8,830
Income tax expenses							(1,427)
Profit for the financial period							7,403

	Food catering business \$'000	Food retail business \$'000	Food and catering supplies \$'000	Other business \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
Group							
31 March 2015							
Capital expenditure							
Property, plant and equipment	9,336	2,144	1,408	154	12	-	13,054
Intangible assets	96	21	39	12	18	-	186
	<u>9,432</u>	<u>2,165</u>	<u>1,447</u>	<u>166</u>	<u>30</u>	<u>-</u>	<u>13,240</u>
Assets and liabilities							
Assets	<u>57,960</u>	<u>4,597</u>	<u>8,400</u>	<u>1,018</u>	<u>13,896</u>	<u>(31,378)</u>	<u>54,494</u>
Liabilities	<u>37,579</u>	<u>4,548</u>	<u>6,140</u>	<u>578</u>	<u>4,152</u>	<u>(24,492)</u>	<u>28,506</u>
Unallocated liabilities							
- Current income tax payable							1,402
- Deferred tax liabilities							407
							<u>30,315</u>

	Food catering business \$'000	Food retail business \$'000	Food catering supplies \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
Group						
31 January 2014						
Revenue						
External Revenue	38,992	12,667	699	-	-	52,358
Inter-segment revenue	5	-	10,510	-	(10,515)	-
	<u>38,997</u>	<u>12,667</u>	<u>11,209</u>	<u>-</u>	<u>(10,515)</u>	<u>52,358</u>
Results						
Segment results	8,654	951	477	3,345	(4,306)	9,121
Interest income	1	-	-	17	-	18
Interest expenses	(179)	(10)	-	-	-	(189)
Depreciation of property, plant and equipment	(1,342)	(428)	(216)	(2)	-	(1,988)
Depreciation of investments properties	-	-	-	(42)	-	(42)
Amortisation of intangible assets	(2)	-	-	-	-	(2)
Plant and equipment written-off	(6)	(29)	-	-	-	(35)
Gain on disposal of property, plant and equipment	-	1	-	-	-	1
Other non-cash expenses:						
- Allowance for impairment loss on third parties trade receivable	(21)	-	-	-	-	(21)
- Bad third parties trade receivables written-off	-	(3)	-	-	-	(3)
- Bad third parties non-trade receivables written-off	(6)	-	-	(2)	-	(8)
Profit before income tax	<u>7,099</u>	<u>482</u>	<u>261</u>	<u>3,316</u>	<u>(4,306)</u>	<u>6,852</u>
Income tax expenses						(453)
Profit for the financial year						<u>6,399</u>

	Food catering business \$'000	Food retail business \$'000	Food catering supplies \$'000	Unallocated \$'000	Elimination \$'000	Total \$'000
Group						
31 January 2014						
Capital expenditure						
Property, plant and equipment	14,631	489	284	-	-	15,404
Intangible assets	246	-	-	-	-	246
Assets and liabilities						
Assets	40,316	3,266	3,808	10,993	(14,802)	43,581
Liabilities	23,404	2,813	1,787	2,207	(8,815)	21,396
Unallocated liabilities						
- Current income tax payable						1,491
- Deferred tax liabilities						209
						23,096

16. In the review of performance, the factors leading to any material changes in contribution to turnover and earnings by the business or geographical segments.

Refer to section 8 for details.

17. A breakdown of sales

	14M 2015 \$'000	FY 2014 \$'000
Sales reported for:		
6 months ended 31 July	28,001	23,111
8 months ended 31 March/6 months ended 31 January	49,400	29,247
Total	77,401	52,358
Net profit for the period/year reported for:		
6 months ended 31 July	2,516	2,767
8 months ended 31 March/6 months ended 31 January	4,887	3,631
Total	7,403	6,398

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	14M 2015 \$	FY 2014 \$
Total annual ordinary dividend		
Interim (Tax exempt 1-tier)	1,512,000	1,670,400
Final (Tax exempt 1-tier)	1,512,000	2,174,400
Total	3,024,000.00	3,844,800.00

19. Requirement under Rule 704(10) of the Listing Manual

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited, the Company confirms that the following personnel occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company during the year. Details are as follows:

Name of relative	Age	Family relationship with any director and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Neo Kar King	42	Brother of Neo Kah Kiat Brother-in-law of Liew Oi Peng	Quality Assurance Manager Re-appointed in 2014 Responsible for Research and Develop/Production Planning.	Not applicable
Liew Oi Yen	45	Sister-in-law of Neo Kah Kiat Sister of Liew Oi Peng and Liew Choh Khing	Director (Operations) Appointed in 2012 Responsible for the operations of the food production in the Orange Clove Central Kitchen	No change

BY ORDER OF THE BOARD

Neo Kah Kiat
Chairman and Chief Executive Officer
Neo Group Limited
28 May 2015

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"), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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. Yee Chia Hsing, Head, Catalyst. The contact particulars are 50 Raffles Place #09-01 Singapore Land Tower Singapore 048623, telephone: +65 6337 5115.