

NEWS RELEASE

NEO GROUP REPORTS RECORD SALES OF S\$77.4 MILLION AND NET PROFIT OF S\$7.4 MILLION IN 14M 2015¹

- **Revenue at record high, lifted by strong growth in Food Catering Business**
- **Recent game-changer 55% acquisition of Thong Siek Holdings (“TSH”) – parent company of “DoDo fishballs”; eyes entry into new geographical markets through potential merger and acquisition (“M&A”) opportunities**
- **Newly operational centralised kitchen at Enterprise Road to increase capacity and reduce cost through consolidated processes**
- **Proposes one-tier tax-exempt final cash dividend of 1.05 Singapore cents per share, bringing the total dividends declared for 14M 2015 to 2.56 Singapore cents per share**

Financial Highlights

S\$'Million	14M 2015 ¹	FY2014 ²	Change (%)
Revenue	77.4	52.4	47.8
Profit before Income Tax	8.8	6.9	28.9
Profit after Income Tax (“Net Profit”)	7.4	6.4	15.7
Per Share Information (SGD cents)	31 Mar '15	31 Jan '14	Change (%)
Earnings per share	5.14	4.44	15.8
NAV per share	16.79	14.23	18.0

¹ 14M 2015 refers to the 14-month financial period from 1 February 2014 to 31 March 2015 due to a change in the Group’s financial year-end (from 31 January to 31 March)

² FY2014 refers to the financial year ended 31 January 2014

SINGAPORE – 28 May 2015 –Neo Group Limited ("Neo Group", 梁苑集团有限公司, or together with its subsidiaries, the "Group"), an integrated food and catering solutions provider, today reported record revenue and net profit of S\$77.4 million and S\$7.4 million, respectively, for the 14-month period ended 31 March 2015 ("14M 2015").

The integrated catering solutions provider said a 47.1% growth in its Food Catering business segment to S\$57.4 million, coupled with a 51.6% rise in the Food Retail segment revenue to S\$19.2 million, drove the 47.8% top-line surge in 14M 2015 compared to S\$52.4 million for the financial year ended 31 January 2014 ("FY2014").

In tandem with the higher top-line, the Group achieved a 15.7% rise in 14M 2015 net profit from S\$6.4 million in FY2014. The growth in net profit was achieved notwithstanding higher expenses incurred in line with business growth. Overall, expenses rose approximately 51.8% from S\$47.0 million in FY2014 to S\$71.4 million in 14M 2015.

Neo Group's Founder, Chairman and CEO Mr Neo Kah Kiat (梁佳吉) said, "Our concerted efforts to drive solid growth have led to yet another year of stellar performance. We have enhanced our value proposition as an end-to-end food and catering solutions provider while driving efficiency through streamlined processes and increased automation for higher productivity and consistency. We are confident in our ability to enlarge our market share to maintain our Number 1 position in Singapore.

"In line with our efforts to provide one-stop catering solutions for various market segments, we have recently acquired a 55% stake in the parent company of "DoDo Fishballs" for S\$7.35 million. This will enhance our supply chain, while allowing us access to a global distribution network. In addition, TSH's expertise in food manufacturing will further strengthen our central kitchen's operations for higher quality consistency and at the same time, enabling us to reap economies of scale."

Post acquisition, TSH intends to revitalise the “DoDo” brand of frozen foods to reach out to new customer segments, deepen its existing footprint in Singapore and Malaysia and expand into new markets in Europe, the Americas and Hong Kong while consolidating operations with Neo Group to drive greater operating efficiencies.

Based on an issued share capital of 144 million ordinary shares, the Group’s earnings per share improved to 5.14 Singapore cents from 4.44 Singapore cents in FY2014, while net asset value per share was boosted to 16.79 Singapore cents as at 31 March 2015 from 14.23 Singapore cents as at 31 January 2014.

In view of the Group’s robust performance, the Directors are pleased to propose a one-tier tax-exempt final cash dividend of 1.05 Singapore cents per share bringing the total dividends declared for 14M 2015 to 2.56 Singapore cents per share.

Poised to Ride on Positive Industry Outlook

In view of the increase in capacity from the newly operational Enterprise Road central kitchen, and propensity to leverage on TSH’s two manufacturing facilities – in Senoko, Singapore and Johor Bahru, Malaysia – Neo Group is poised to ride on the favourable industry outlook, and remains positive on growth opportunities.

Following the acquisition of TSH, Neo Group is in the process of expanding its production capacities and consolidating its business operations to further reap economies of scale and ensure consistency in the quality of its food products. At the same time, the Group will be exploring avenues to create new Business-to-Consumer revenue streams leveraging on TSH’s strong market leadership in surimi-based frozen food, and the strong “DoDo” brand.

“We are wasting no time in integrating TSH and pursuing the growth strategies mapped out, including eyeing expansion into European markets through potential M&A and/or strategic alliances with existing players,” Mr Neo added.

Concurrently, in Food Catering, the Group will continue to innovate and launch new products and brands, aggressively reaching out to all market segments.

Neo Group is consolidating its Food Retail network of 25 umisushi outlets, while exploring opportunities to export its proven retail model overseas.

Mr Neo affirmed, “The new central kitchen and addition of TSH is a game changer for Neo Group as we continue to push onwards with our growth strategies – supported by our strong brand and track record – in this sunrise industry. We are deeply committed to stay ahead of the curve and believe we are on the cusp of greater growth as we continue to push boundaries, capture market share and broaden income streams.”

In view of the consolidation of TSH financials commencing from the financial period ending 30 June 2015, barring unforeseen circumstances and business conditions, the Group expects to continue to grow its business and remain profitable in the first half of the year.

About Neo Group Limited

Neo Group Limited is an integrated food and catering solutions provider. 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 2010.³

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.

³ 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

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 25 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.

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.

ISSUED ON BEHALF OF	:	Neo Group Limited
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 55 Market Street #02-01 SINGAPORE 048941
CONTACT	:	Ms Dolores Phua / Ms Amelia Lee at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9750-8237 / 9781-3518 (Handphone)
EMAIL	:	dolores.phua@citigatedrimage.com amelia.lee@citigatedrimage.com

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