



# NEO GROUP

NEO GROUP LIMITED



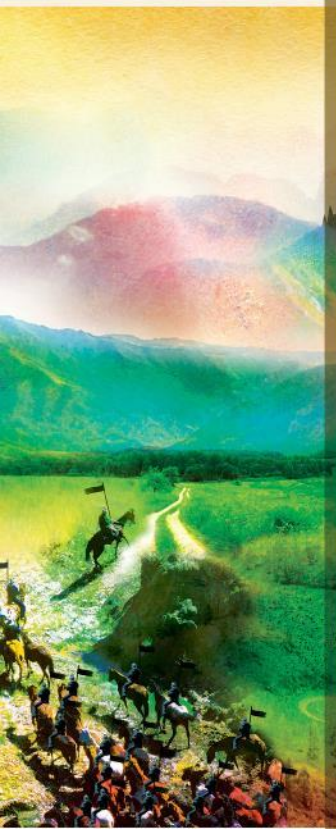
## FY2014 ANNUAL GENERAL MEETING



**NEO GROUP** 梁苑集团®



  
NEO GROUP 梁苑集团



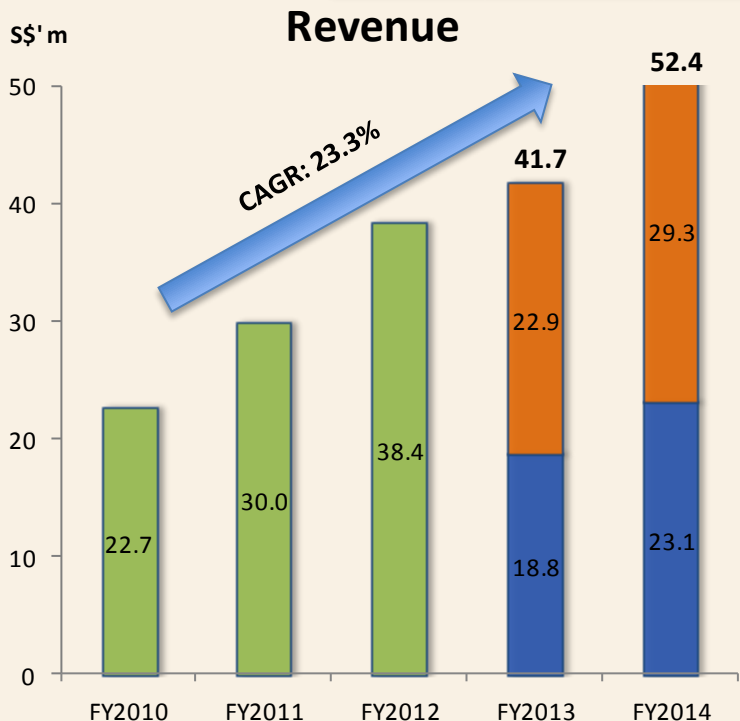
**SOLID PERFORMANCE**

# KEY GROUP HIGHLIGHTS

-  **Achieved Record Revenue**
-  **Record Net Profit**
-  **Key Growth Driver – Food Catering, with Record servings to 2.5 million guests**
-  **Record Dividend**
-  **Key Corporate Developments**
-  **Strong Brand Recognition**
-  **Good Share Price Performance**

# RECORD REVENUE

\$52.4m  
↑ 25.6% Growth  
\$41.7m



\$39.0m  
↑ 27.0% Growth

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

\$12.7m  
↑ 15.6% Growth

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

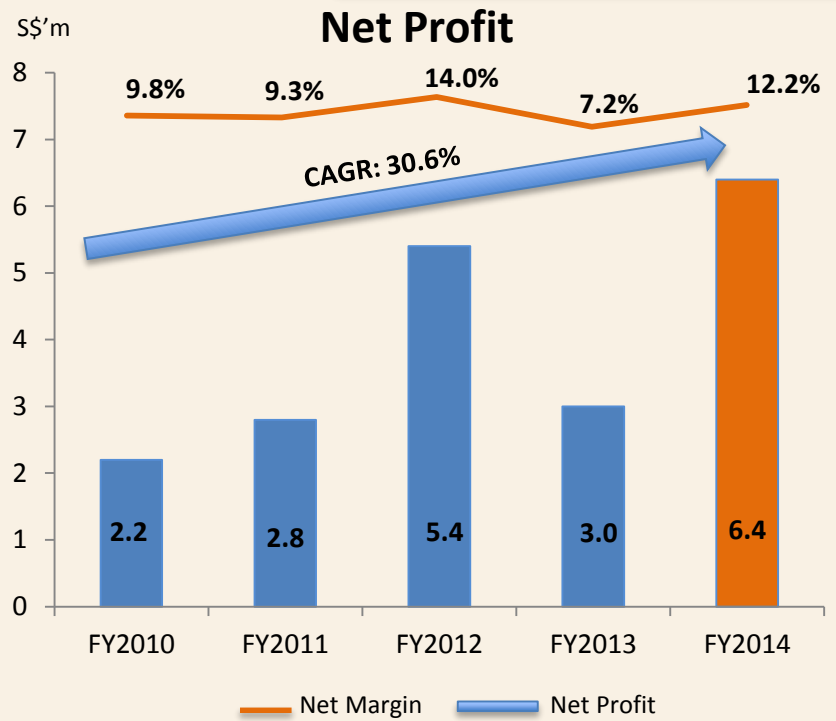
*Note:*

- Our FYE is 31 January
- Revenue from our Food and Catering Supplies Business is not significant

Overall, served a **record** of over 2.50 million guests in FY2014 vs 2.13 million guests in FY2013

# RECORD NET PROFIT

\$6.4m  
↑ 111.9% Growth  
\$3.0m



**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 contributed largely by NKK and economies of scale

**Note:**

- Our FYE is 31 January
- 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

# FINANCIAL POSITION

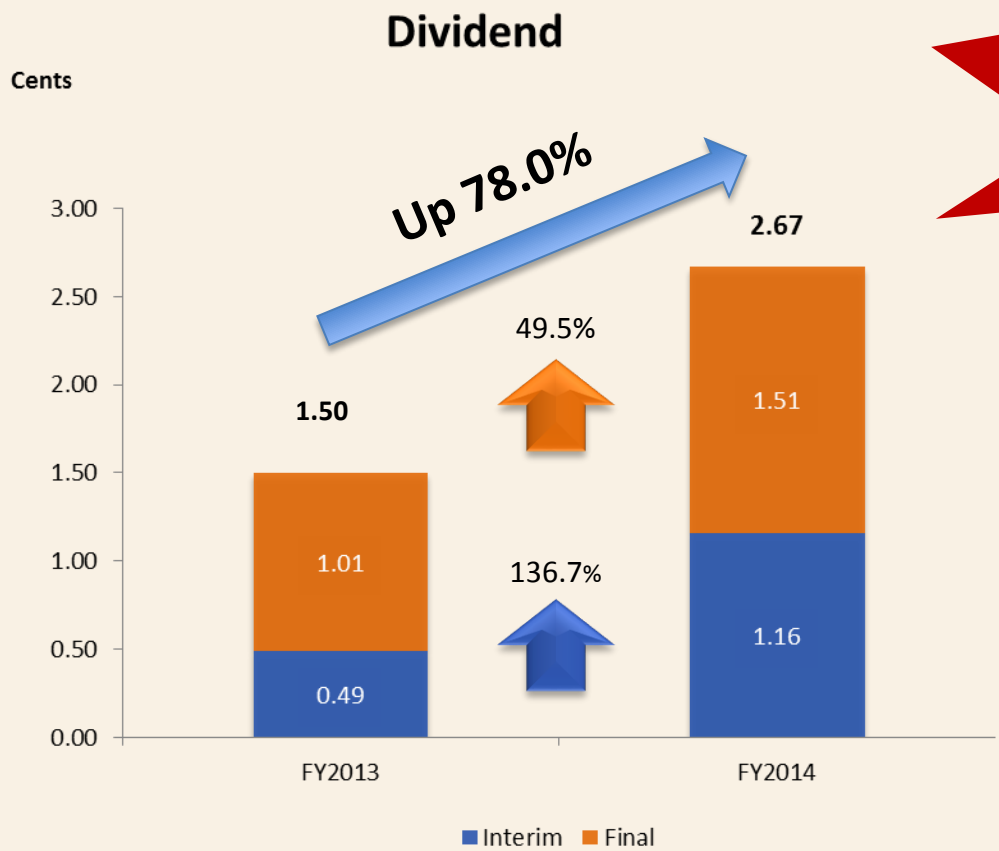
<b>Profitability Ratios</b>	<b>FY2014</b>	<b>FY2013</b>	<b>% change</b>
Earnings Per Share (cents)	4.44	2.87	54.7
Return On Assets (%)	14.7	9.8	50.0
Return On Equity (%)	31.2	17.3	80.3
<b>Financial Position</b>	<b>As at 31 Jan 2014</b>	<b>As at 31 Jan 2013</b>	
Shareholders' equity (S\$'m)	20.5	17.4	17.8
Net Gearing (%) <sup>(1)</sup>	38.3	1.1	NM
Net Asset Value Per Share (cents)	14.2	12.1	17.4
<b>Cash Flow</b>	<b>FY2014</b>	<b>FY2013</b>	
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)
<b>Efficiency Ratios</b>			
Trade receivables turnover days <sup>(2)</sup>	11	7	
Trade payables turnover days <sup>(3)</sup>	57	39	

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

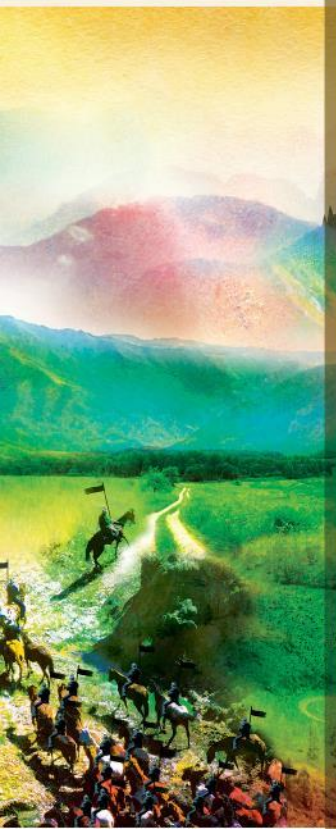
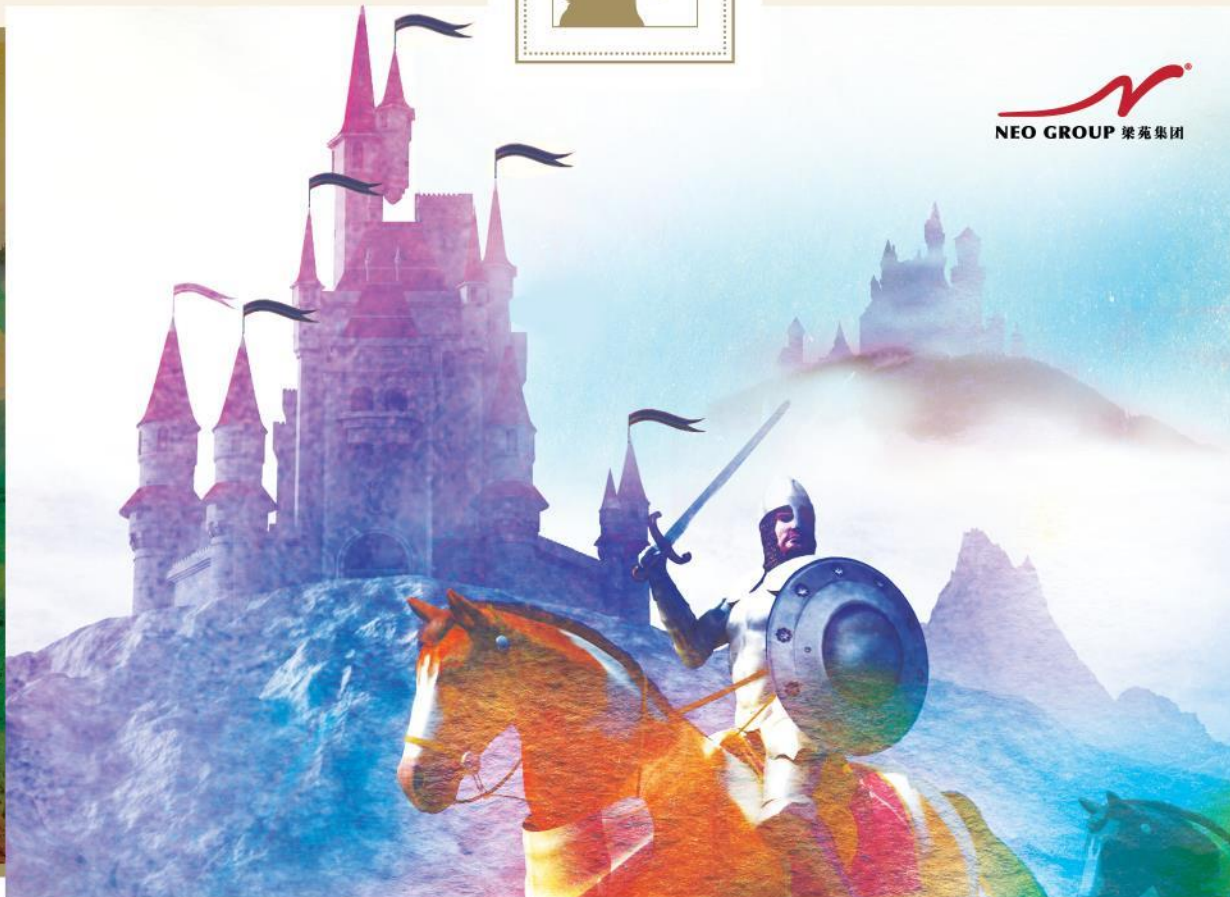
2) Trade receivables turnover days is computed by dividing 365 days by the gross trade receivables turnover ratio. The gross trade receivables turnover ratio is calculated by dividing annual sales by gross trade receivables

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**



## KEY CORPORATE DEVELOPMENTS



# FOOD CATERING



# HIGHLIGHTS FOR FY2014



Overall, record of over 2.50 million served

Sales **↑ 16%**  
(FY2014 vs FY2013)

**RECORD BREAKING**  
**↑ 1,118 orders**  
@ 1<sup>st</sup> day of CNY  
(2013:1,005; 2012:818)

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



**Tingkat Services  
And Economical Buffets**

**Launch of Fourth Brand  
In March 2014**

**Healthy Bites for  
Mass Market & Households**



# HIGHLIGHTS FOR FY2014



*One of the official caterers of Singapore Expo and The Star Performing Arts Centre*

**Sales ↑ 51.0%**  
(FY2014 vs FY2013)

**716,115 guests served**  
**↑ 34.4%**  
(FY2013: 532,794)

**17,816 orders**  
**↑ 33.6%**  
(FY2013: 13,335)



**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

# STRONG BRAND RECOGNITION



## Awards and Accolades

<p>Singapore Book of Records "Largest Events Caterer" and "Highest Number of Events Catered by a Company in One Day"</p>	<p>2014</p>	<p>Reader's Digest Trusted Brand Award 2014</p>
<p>Singapore Book of Records "Largest Events Caterer" and "Highest Number of Events Catered by a Company in One Day"</p> <p>Singapore Prestige Brand Award - Hall of Fame (SPBA - Established Brand)</p> <p>Singapore Prestige Brand Award (Overall Winner, SPBA - Established Brands)</p>	<p>2013</p>	<p>Singapore Prestige Brand Award (Winner, SPBA - Promising Brands)</p> <p>SME One Asia Awards 2013 Singapore (Notable Award)</p> <p>Promising SME 500 2013 (Top 10 Achievement Award and Customer Focus Award)</p> <p>Reader's Digest Trusted Brand Award 2013</p>
<p>Singapore Prestige Brand Award (Overall Winner, SPBA - Established Brands)</p> <p>Singapore Prestige Brand Award (Most Popular Established Brand)</p> <p>Singapore Prestige Brand Award (Established Brands)</p>	<p>2012</p>	<p>Entrepreneur of The Year Award - EYA 2012 Top Entrepreneurs</p> <p>Entrepreneur of The Year Award - EYA for Enterprise 2012</p> <p>HACCP Certificate - Food Safety Management System</p>

## Singapore Book of Records

- Served 1,118 events on first day of Lunar New Year

## Neo Garden Catering

- Hot Favourite amongst Singapore consumers
- Attained Hall of Fame – SPBA – Established Brands

<p>Excellent Service Award 2011</p> <p>Singapore SME 1000 Company 2011</p> <p>2011 Successful Entrepreneur (Platinum Category)</p>	<p>2011</p>	<p>Singapore Prestige Brand Award (Most Popular Established Brand)</p> <p>Singapore Prestige Brand Award (Established Brands)</p> <p>SME1 Asia Awards - Distinguished Award 2011 (Top 5)</p>
<p>Spirit of Enterprise Award 2010 Honours</p>	<p>2010</p>	<p>Singapore Prestige Brand Award 13 (Winner, SPBA - Established Brands)</p> <p>Singapore Prestige Brand Award 12 (Qualifying, SPBA - Established Brands)</p> <p>Singapore Prestige Brand Award 11 (SPBA - Most Popular Established Brand)</p>

Singapore Book of Records

PROMISING SME 500

TUV SUD

Singapore Prestige Brand Award 13

The Entrepreneur of the Year

Singapore Prestige Brand Award 12

EXCELLENT SERVICE AWARD 2011

Singapore Prestige Brand Award 11

SME ONE ASIA AWARDS 2013 SINGAPORE

SME1 ASIA AWARDS 2011

2011 Successful Entrepreneur


Spirit of Enterprise

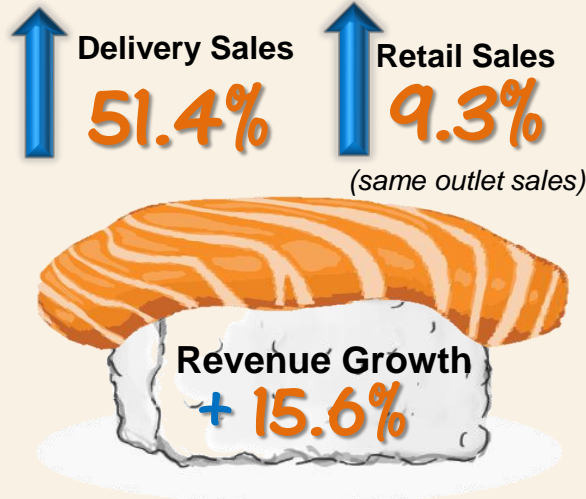
TRUST BRAND

# FOOD RETAIL



## Delivery

- Online Order System well received
-  51.4% delivery sales
  - Increased fleet size of 20 motorbikes from 12



## Retail

- 9.3% same-outlet sales
-  24 outlets in Singapore @ 8 May 2014
- 1 licensed outlet in Jakarta, Indonesia

## 2 new concepts :

### Drinking & dining establishment:

- Issho izakaya, Sports Hub

### Quick Service:

- NANAMI UDON, One Raffles Place



@ Sports Hub

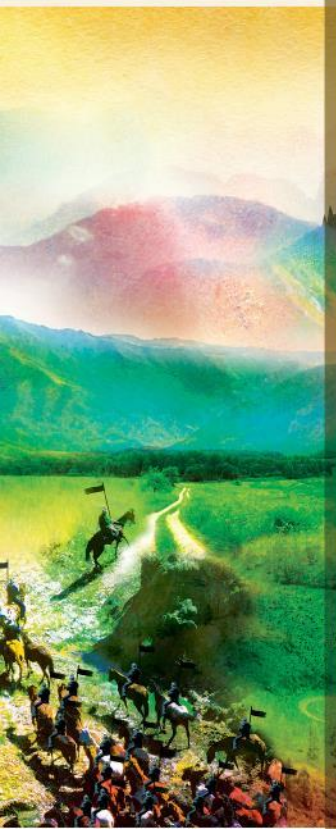


@ One Raffles Place





  
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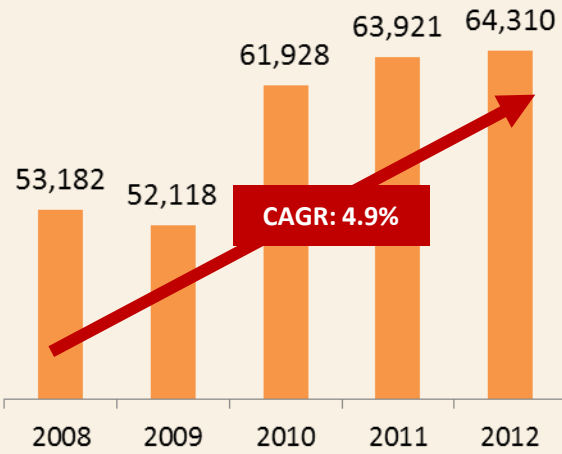
## OUTLOOK AND PLANS AHEAD

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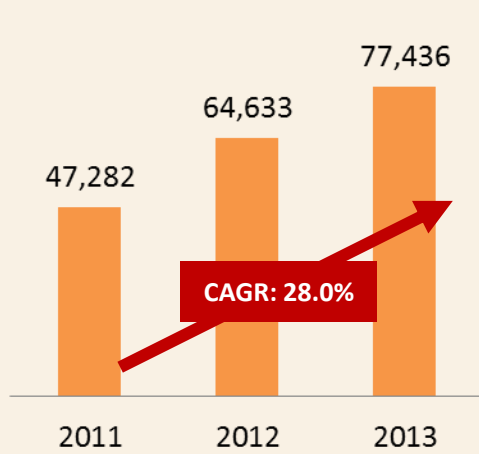
# FAVOURABLE EXTERNALITIES

## Growing GNI per Capital Increasing Affluence



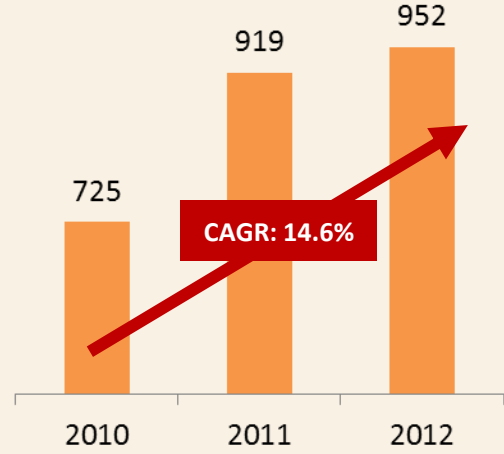
Source: Singstat

## More HDB flats under construction



Source: HDB Annual Report 2012 & 2013

## Growing MICE events



Source: Singapore Tourism Board

- Increasing propensity to spend on occasions and events

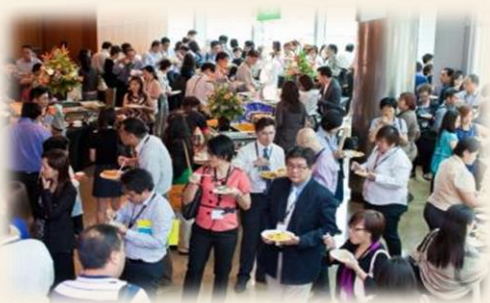
- More flats expected to be completed in 2014 and beyond

- Demand for event catering services expected to increase



# FUTURE PLANS

## ONGOING EFFORTS TO CONSOLIDATE BUSINESS OPERATIONS



**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:**

- Capacity increase of 3 to 4 times
- Operational synergies

**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

### By Innovating

- New catering brands
- Best Catering
- New catering concepts

- Enhancement of menus at various pricing levels

### By Expanding

- Sales team
- Delivery fleet

### By Exploring

- Local M&A opportunities
- Overseas joint ventures
- Opportunities as venue operator/caterer (ie. Singapore Expo/The Star Performing Arts Centre)

## FOOD RETAIL

- Open **more outlets**
- Explore **franchise opportunities** for umisushi overseas
- Develop and launch **new concepts**
- Increase delivery fleet

## FOOD & CATERING SUPPLIES

### Central procurement

- Higher profit margins
- Cost savings and better quality control
- Source directly from Vietnam, Thailand, Malaysia and China

**Expand services** to external parties

**Positive and confident about industry outlook**

# WHY INVEST IN NEO GROUP?



# STRONG SHARE PRICE PERFORMANCE



## Neo Group

**+237.2%**

**Total Return Since Listing**  
Including dividends

**Straits Times Index**  
**+16.4%**

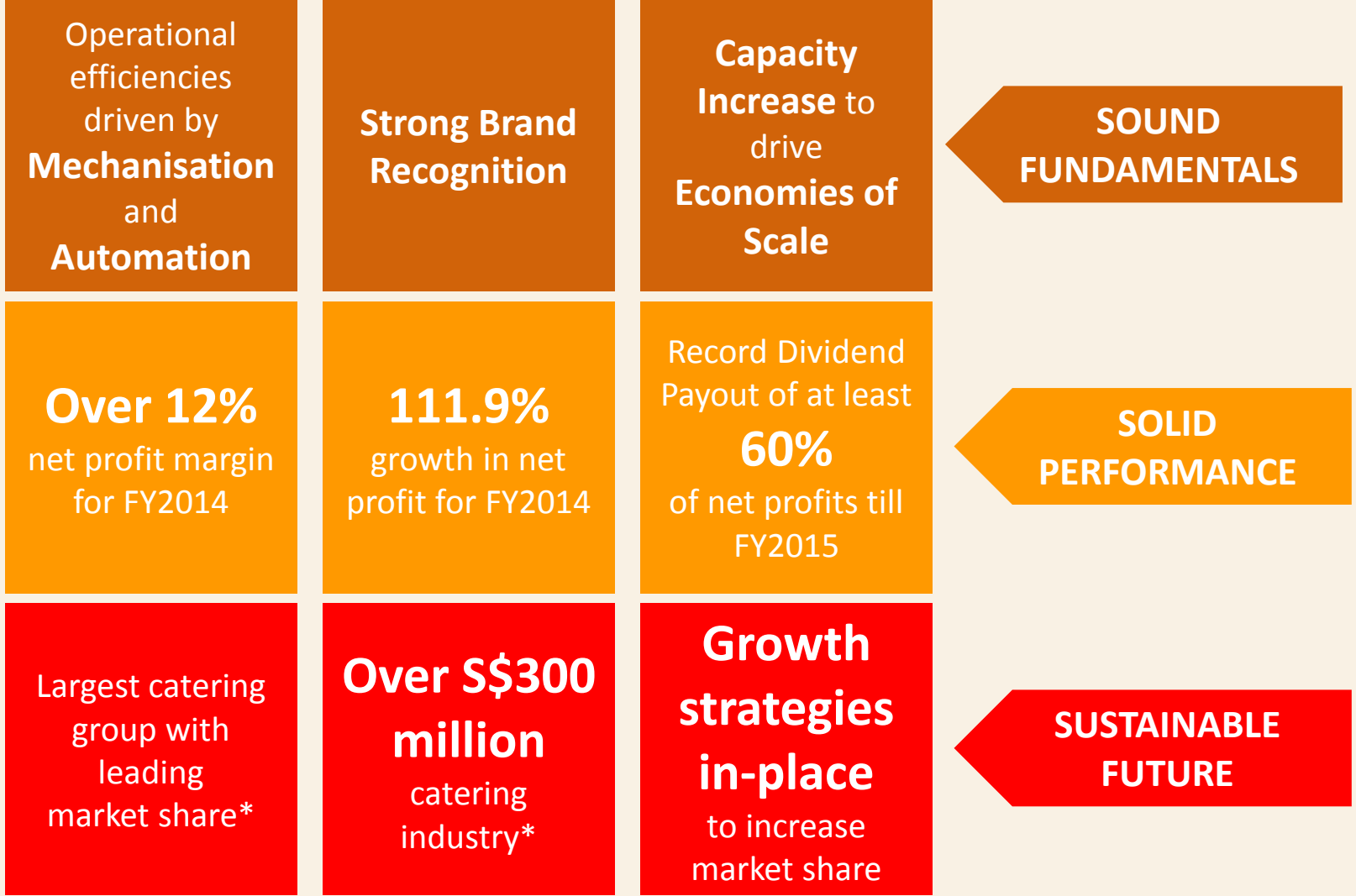


Source: Bloomberg, 27 May 2014

**Strong share price gains made since listing on 11 July 2012 at S\$0.30**

# IN SUMMARY...

## Factors Driving Strong Share Performance



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



***“To All Shareholders for Your Support and Trust in Us. I Believe We will Continue to Break Our Own Records and Bring Neo Group to Greater Heights.”***

This document 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 persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalyst and Mr Benjamin Choy, Director, Corporate Finance. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone (65) 63375115.

**THANK YOU**