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**PROPOSED ACQUISITION OF PROPERTY BY JOINT VENTURE COMPANY**

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**1. INTRODUCTION**

- 1.1 The Board of Directors (“**Board**”) of Neo Group Limited (“**Company**”), and together with its subsidiaries (“**Group**”) refers to its previous announcements dated 28 August 2020, 30 October 2020 and 28 December 2020 in relation to the entry into the joint venture agreement with Boldtek Holdings Limited (“**BHL**”), the incorporation of NNB Global Development Pte. Ltd. (“**NNBGD**”) and the incorporation of NNB8 Development Pte. Ltd. (“**NNB8**”), respectively (collectively, “**Previous Announcements**”).
- 1.2 Further to the Previous Announcements, the Board wishes to announce that Boldtek Investment Pte. Ltd. (“**BIPL**”), a wholly-owned subsidiary of BHL, had made an offer to purchase on an en bloc basis for the collective purchase of Advance Apartment (“**Offer**”), a residential property located at No. 8 Lorong 25A Geylang Road, Singapore 388222 (“**Property**”), for a sum of S\$26.5 million (“**Purchase Price**”) (“**Proposed Acquisition**”). Following the incorporation of NNB8 on 28 December 2020, under the terms of the Offer, BIPL nominated NNB8 as the purchaser of the Property (“**Purchaser**”).
- 1.3 The Offer was accepted by majority of the registered subsidiary proprietors of the Property (“**Vendors**”) on 22 December 2020 (“**Date of Contract**”).
- 1.4 The Proposed Acquisition is undertaken in the ordinary course of the Group’s business.

**2. INFORMATION ON THE PROPOSED ACQUISITION**

**2.1 Information on the Property**

The Property is located on a freehold site has an area of 11,429 square feet (sq ft) and is zoned for residential or institutional use with a gross plot ratio of 2.8 and an allowable height of up to eight storeys, under the Urban Redevelopment Authority’s Master Plan 2019.

## 2.2 Information on the Purchaser

As disclosed in the Company's announcement dated 28 December 2020, NNB8 is owned by three (3) entities, namely (i) NNBGD; (ii) SG Sovereign Real Estate Pte Ltd ("**SSRE**"); and (iii) Exclusive Development Pte. Ltd. ("**EDPL**"), each holding 80%, 10% and 10% of the entire issued and paid-up share capital of NNB8, respectively. NNBGD is a joint-venture company with BHL. Accordingly, the effective interest of the Company in NNB8 through NNBGD is 40%.

SSRE is a Singapore-incorporated company and is wholly-owned by Mr. Jeffrey Hong. He has more than 25 years of experience in property development and property management business.

EDPL is a Singapore-incorporated company and is wholly-owned by EDC Holdings Pte Ltd ("**EDC**"), another Singapore-incorporated company. EDC is owned by Mr. Sng Lek Kiam (55%) and Mr. Sng Yik Yeap (45%), both of whom have more than 20 years of experience in building construction business.

SSRE, EDPL and their respective shareholders are unrelated to the Group, the Company's directors, chief executive office and controlling shareholders.

## 3. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

### 3.1 Purchase Price

The Purchase Price was arrived at after detailed assessment and evaluation, taking into account, *inter alia*, current market prices of similar properties in the surrounding area and the redevelopment potential of the Property.

An initial deposit of S\$200,000 had been paid on 21 December 2020. NNB8 shall pay the deposit of 10% of the Purchase Price, less the initial deposit, in two installments, as follows:

- (i) 5% of the Purchase Price, less the initial deposit was paid on 4 January 2021; and
- (ii) 5% of the Purchase Price, within one (1) week from the NNB8's receipt of the Order for Sale (as defined below) or the signing by all the remaining registered subsidiary proprietors of the Property other than the Vendors, whichever is earlier.

The balance of the Purchase Price will be paid on the date of Completion (as defined below).

### 3.2 Completion

Completion shall take place three (3) months from the Date of Contract or, if applicable, three (3) months from the date of the Order for Sale or the fulfilment of any condition precedent agreed with the Purchaser (“**Fulfilment**”) whichever is the latest (“**Completion Date**”) or if at any time on or before the Completion Date, the sale and purchase of the Property cannot be completed due to the death, bankruptcy, winding-up, unsound mind or other legal incapacity of any of the registered subsidiary proprietors of the units, the Vendor’s Solicitors may by notice to the Purchaser’s Solicitors extend the Completion Date for a period of up to Six (6) months to enable such issue to be resolved.

In the event that Vendor’s solicitors confirm in writing that the Order for Sale is no longer required, the Completion Date shall be three (3) months from the date of receipt of such written confirmation by the Purchaser, or three (3) months from the Date of Contract or the Fulfilment, whichever is the latest.

### 3.3 Conditions Precedent

The Proposed Acquisition is conditional upon the satisfaction (or waiver) of, *inter alia*, the following conditions (“**Conditions Precedent**”):

- (a) obtaining a qualifying certificate under the Residential Property Act (“**RPA**”) on or before Completion; and
- (b) obtaining the Order for Sale (as defined below).

### 3.4 Other Material Terms

- (a) Where the aggregate share value and the aggregate strata area of the Vendors is less than 100% of the total share value and the total strata area in the Property, the Vendors shall make an application to the Strata Titles Board (“**STB**”) for an order for the sale of the Property (“**Order for Sale**”) pursuant to Section 84A of the Land Titles (Strata) Act (Cap 158) (“**Act**”). In the event the STB issues a Section 84A stop order under subsection (6A) of the Act, the term, “Order for Sale” shall, if the context requires, mean the Order of the High Court or the Court of Appeal, as the case may be; and

- (b) In the event that NNB8 fails to obtain the qualifying certificate approval on or before the Completion or such approval is not granted by the relevant authorities, NNB8 shall procure another purchaser who must be qualified to purchase the Property under the RPA.

**4. RATIONALE FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition is in line with the Group's diversification plan and involve in the property development business.

Subject to obtaining all the necessary approvals from the relevant authorities, NNB8 intends to redevelop the Property for residential purposes and thereafter market the redeveloped Property for sale.

**5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

The Proposed Acquisition will be funded, in proportion to the Company's share of the Purchaser, through internal resources and bank borrowings, and at present, is not expected to have any material impact on the net tangible assets and earnings per share of the Company and the Group for the financial year ending 31 March 2021.

**6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the directors or substantial shareholders of the Company has any interest, direct or indirect to the above transaction, other than through their respective shareholdings in the Company.

**7. FURTHER ANNOUCEMENTS**

The Company, through NNBGD, intends to enter into a separate joint venture agreement with SSRE and EDPL, details of which will be announced in due course. The Company will also make further update announcements on SGXNet as appropriate or when there are material developments in respect of the Proposed Acquisition.



**ON BEHALF OF THE BOARD**

Neo Kah Kiat  
Chairman and Chief Executive Officer  
6 January 2021

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST"), Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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.*

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