



NEWS RELEASE

NEO GROUP TO ACQUIRE HOMEGROWN CRUSTY'S BRAND; TO EXPAND PREMIUM SNACK MARKET FOR FOOD MANUFACTURING BUSINESS

- *Proposed acquisition of premium snack manufacturer Royale International Food Industries in line with plans to diversify into snack food market*
- *Earnings-accretive acquisition part of strategic move to reap economies of scale from consolidation of shared resources under Thong Siek Global*
- *Immediate foothold in fast-growing snack food market to cater to younger generation in Singapore and globally*
- *To drive export sales to new and existing markets, leveraging on both parties' global distribution network*

SINGAPORE – 3 February 2021 – Neo Group Limited ("**Neo Group**", or together with its subsidiaries, the "**Group**"), a homegrown integrated food solutions provider, today announced that the Company's wholly-owned subsidiary, Thong Siek Global Pte. Ltd. ("**TSG**") had entered into a legally binding term sheet for the proposed acquisition of a stake in homegrown premium snack manufacturer Royale International Food Industries Pte. Ltd. ("**RIFI**").

Page 1 of 6



Extensive selection of ready-to-eat premium snacks from the Crusty's snacks range.

(Photo Credit: Crusty's)

RIFI is principally engaged in the manufacture of snacks under its flagship brand – Crusty's, which includes an extensive selection of ready-to-eat products such as potato chips, fish skin and soy-based snacks. The products (i.e. the Crusty's snacks range) are available locally across supermarket chains, convenience stores, major petrol kiosks and cinemas; and are also exported and sold in overseas markets such as Australia, Canada, China, the United States of America, Thailand and Malaysia.

Neo Group’s Founder, Chairman and CEO, Mr Neo Kah Kiat (梁佳吉), said, “We see this latest move as a strategic fit for our food manufacturing business given RIFI’s established position as Singapore’s premium snack manufacturer through its flagship brand – Crusty’s. With this acquisition, we will be gaining an immediate foothold and diversifying into the fast-growing snack food business that caters to younger generation consumers. Additionally, with the consolidation of our manufacturing capabilities under Thong Siek Global, this will enable us to lower our snack manufacturing costs and reap economies of scale through synergistic functions across manufacturing, marketing, procurement, and operational departments.

“In line with our growth strategies, we intend to actively expand our product offerings to cater to different market segments, to meet changing consumer demand and capture growth opportunities in snacks and ready-to-eat products. This earnings-accretive acquisition will also allow us to create new income streams, drive our export sales to new and existing markets worldwide, tapping on both parties’ well-established network across over 30 countries globally.”

Mr Neo added, “The acquisition is a follow through of our plans for the Manufacturing business, to ride on increasing consumer demands in existing and complementary product ranges. The diversification into snack food products further broadens the Group’s revenue stream, with the added benefit of expanding into new overseas markets. Moving forward, where possible, we will also seek to integrate automation into production lines and adopt technological solutions to increase productivity and profitability.”



TSG shall acquire a stake in RIFI by way of an issue and allotment of 105 new ordinary shares in the share capital of RIFI to TSG representing approximately 51% of the total issued and paid-up share capital of RIFI immediately after the completion of the proposed acquisition (“**Proposed Acquisition**”). The aggregate consideration for the Proposed Acquisition is S\$1.02 million and shall be fully paid in cash.

The Proposed Acquisition is not expected to have any material impact on the Group’s consolidated net tangible assets or earnings per share for the current financial year ending 31 March 2021.

Note: This press release is to be read in conjunction with the related announcement released by Neo Group Limited via SGXNET on 3 February 2021.



About Neo Group Limited

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Neo Group Limited is a homegrown, integrated food 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 named the number one events caterer in Singapore and provides one-stop food and catering solutions.

The Group prides itself in providing convenience to customers through its vertically-integrated value chain via four main business segments, namely, Catering, Manufacturing, Supplies and Trading and Retail, combining their synergistic qualities to bring customers top value in delivering fresh and tasty meals on time.

The Group supplies a large variety of quality food and buffets appealing to various market segments through its multi-brand strategy. Neo Group's strong portfolio of over 20 brands includes "Neo Garden", "Deli Hub", "Orange Clove", "Lavish Dine", "Gourmetz", "Kim Paradise", "TS Group", "Joo Chiat Kim Choo" and "umisushi", amongst others. Its food retail network spans over 20 outlets islandwide.

Through its subsidiaries, Neo Group has a trading network across over 30 countries worldwide. Its operations are supported by its central kitchens, manufacturing facilities, warehouses and over 1,400 dedicated employees.

For more information, please visit www.neogroup.com.sg

Page 5 of 6

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"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), Listing Manual Section B: Rules of Catalist.

This news release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this news release, including the correctness of any of the statements or opinions made or reports contained in this news release.

The contact person for the Sponsor is Mr. Yee Chia Hsing, Head, Catalist. 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 Singapore Pte Ltd 105 Cecil Street #09-01 The Octagon SINGAPORE 069534
CONTACT	:	Ms Dolores Phua / Ms Samantha Koh
DURING OFFICE HOURS	:	6589-2383 / 6589-2378
EMAIL	:	dolores.phua@citigatedewerogerson.com samantha.koh@citigatedewerogerson.com
