

FOR IMMEDIATE RELEASE

Neo Group acquires Lavish Dine Catering for S\$1.8 million to expand existing stable of brands

- Capturing the premium, bespoke and corporate clientele base, Lavish adds depth to core Food Catering business as the Group continues to grow its market-leading position in Singapore
- Leveraging on the Group's extensive procurement network, management is confident that Lavish will lower its input costs while reaping additional operational synergies that will drive a positive impact on financial performance
- Building on its renowned brand and 20 year track record, Lavish is poised to capture the growing demand for niche catering solutions in the fine dining space with potential for cross-selling opportunities within the Group's existing customer base

SINGAPORE, 16 April 2018 – Neo Group Limited ("**Neo Group**", 梁苑集团有限公司, or together with its subsidiaries, the "**Group**") strikes its maiden acquisition in 2018 with Lavish Dine Catering Pte Ltd ("**Lavish**"). The earnings accretive acquisition amounting approximately S\$1.8 million will see Neo Group taking a 51.0% stake in Lavish while existing owners will retain the remaining 49.0%.

Taking pride in redefining the business of Catering, the *Lavish Experience* promises to re-think the way food is created and enjoyed by their customers. With two decades of industry track record, Lavish is a brand synonymous with premium fares, bespoke menus, themed events and esteemed guests. Driving an end-to-end service, Lavish conceptualises and delivers a fine-dining experience.





The acquisition will be funded by a combination of cash amounting approximately S\$1.4 million and the issuance of 566,666 new shares in Neo Group at S\$0.63/share. Pursuant to the agreement, the existing owners of Lavish will observe a one year moratorium period in which they will not sell the consideration shares.

Commenting on the Group's latest acquisition, **Mr. Neo Kah Kiat, Founder, Chairman and CEO of Neo Group Limited**, *"The pursuit of strategic acquisition opportunities has been the impetus for our growth trajectory. We continue to capitalise on our market-leading position in the Food Catering business by adding Lavish to our existing stable of brands. This also extends our existing clientele coverage to a niche and premium segment, enabling us to capture a wider spectrum of customers with varying requirements. Our value proposition is clear – our existing infrastructure ranging from procurement to marketing and logistics can drive immediate positive impact to Lavish's operational and financial performance. In addition to these revenue synergies that can be reaped, we believe the integration of Lavish into the Group's existing catering business will be seamless given the set of systems and processes we presently have in place.*

In terms of eyeing acquisition targets to fuel our growth roadmap, we continue to adopt a prudent and disciplined approach. Apart from identifying companies that may value-add our existing capabilities, these targets should be profitable and operating cash flow positive."

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Note: This press release is to be read in conjunction with the related asset acquisition announcement released by Neo Group Limited on SGXNET on 16 April 2018.

About Neo Group Limited

Listed on the Catalist board of the Singapore Exchange Securities Trading Limited, Neo Group Limited is an integrated food solutions provider in Singapore. Established since 1992, the Group possesses an award-winning track record and is one of the most recognised brand names locally, most famous for its flagship Neo Garden Catering brand. 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 in Food Catering, Food Retail, Food Manufacturing and Supplies & Trading. Through these synergistic opportunities, Neo Group is well placed to bring customers top value in delivering fresh and tasty meals conveniently.

The Group supplies a large variety of quality food and buffets appealing to various market segments through its strong portfolio of brands, including Neo Garden Catering, Orange Clove Catering, Umisushi, DoDo fish balls, Joo Chiat Kim Choo traditional rice dumplings, amongst others. Its food retail network spans over 20 outlets islandwide.



Through its subsidiaries, Neo Group has a trading network of 35 countries worldwide. Its operations are supported by the East and West central kitchens, manufacturing facilities, warehouses and over 1,400 dedicated employees.

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 Singapore Exchange Securities Trading Limited (the "SGX-ST"), Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this news release.

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

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