
EXECUTION OF AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF ASIA FARM F&B PTE LTD

Proposed Acquisition of Asia Farm F&B Pte Ltd

1. The board of directors (the “**Board**”) of Neo Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has today entered into an exclusive dealing agreement (the “**Agreement**”) with Asia Farm F&B Pte Ltd (“**AFF**”), ASF Food & Beverage (M) Sendirian Berhad (“**ASF**”), Wong Loke Hsien, Wong Loke Liang and Wong Fot Keng (the “**Vendors**”), in relation to the proposed acquisition of shares in AFF (the “**Proposed Acquisition**”).
2. Under the Agreement, the Vendors, AFF and ASF agreed, among others, to provide the Company with an exclusive right to negotiate the Proposed Acquisition during the period from today to 30 June 2017 (or such other date as the parties may mutually agree in writing) (the “**Exclusive Period**”).
3. The Vendors have also undertaken to complete a restructuring exercise such that (i) they will collectively hold 100% of the issued and paid-up capital of AFF and that (ii) AFF will hold 100% of the issued and paid-up capital of ASF prior to the end of the Exclusive Period.
4. The Agreement will terminate upon the earliest of (i) the date on which written notice of termination is effected and deemed to be duly served by the Company on the other parties; (ii) the date on which a definitive term sheet in relation to the Proposed Acquisition is signed; (iii) the date on which a definitive agreement (in the absence of a definitive term sheet) in relation to the Proposed Acquisition is signed; or the (iv) expiry of the Exclusive Period.

Information on AFF and ASF

5. AFF was incorporated in Singapore in 1998 while ASF was incorporated in Malaysia in 2003. ASF is primarily involved in the production and manufacturing of fruit cordials and syrups, fruit juices, fruit sauces, puddings and jellies while AFF is involved in the distribution of the products under its trademarks “Asia Farm”, “i&Joy”, “Green Leaves” and “爱&卓”.

General

6. Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect in the Proposed Acquisition.

MEMBERS OF NEO GROUP



7. **Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that (i) the definitive agreement in relation to the Proposed Acquisition will be entered into or that (ii) the Proposed Acquisition will be completed. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their professional advisors if they have any doubt about the action they should take.**

8. The Company will make further announcements to update shareholders on material developments regarding the Proposed Acquisition in accordance with the listing rules of the SGX-ST at the appropriate juncture.

BY ORDER OF THE BOARD

Neo Kah Kiat
Chairman and Chief Executive Officer
Neo Group Limited
9 March 2017

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST"), Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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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