

**ENTRY INTO EXCLUSIVE NEGOTIATION AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION OF AN INTEREST IN ER MARKETING (S) PTE. LTD. AND EVER RICH PTE. LTD.**

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**Proposed Acquisition of ER Marketing (S) Pte. Ltd. and Ever Rich 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 negotiation agreement (the “**Agreement**”) with ER Marketing (S) Pte. Ltd. (“**ERM**”), Ever Rich Pte. Ltd. (“**ERPL**”), Ang Hock Chwei, Ang Jee Soon, Chua Chay Jin Eusebius, Leong Ming Thek, Peh Seok Hoon and Tan Ai Meng (the “**Potential Vendors**”), in relation to the proposed acquisition of shares in ERM and ERPL (the “**Proposed Acquisition**”).
2. Under the Agreement, the Potential Vendors, ERM and ERPL have agreed to, *inter alia*, provide the Company with an exclusive period from today to 31 August 2018 (or such other date as the parties may mutually agree in writing) (the “**Exclusivity Period**”) for negotiations relating to the Proposed Acquisition.
3. The Agreement will terminate upon the earliest of (i) the date on which a definitive agreement in relation to the Proposed Acquisition is signed; or the (ii) expiry of the Exclusivity Period.

**Information on ERM and ERPL**

4. ERM was incorporated in Singapore in 2003 and is primarily involved in the import and export of food products such as raw condiments, as well as fruit and vegetables for wholesale and retail businesses. ERM’s core products are garlic, onions, potatoes and dried chillies. Its customer base includes food factories, supermarkets, restaurants and food stalls, amongst others.
5. ERPL was incorporated in Singapore in 1994 and primarily owns and operates warehouses and cold rooms of various temperatures for storage of food products such as garlic, onions, potatoes and dried chillies. ERPL also provides storage services of food products to third party customers (other than ERM) and will be branching into the processing of meat and vegetables.

**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.
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 announcement(s) to update shareholders on material developments regarding the Proposed Acquisition in accordance with the Catalist Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at the appropriate juncture.

**BY ORDER OF THE BOARD**

Neo Kah Kiat  
Chairman and Chief Executive Officer  
Neo Group Limited

21 September 2017

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*This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST Listing Manual Section B: Rules of Catalist. 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.*

*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.*